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THE LEAGUE'S BUSINESS

Meeting of Executive Committee.—A meeting of the executive committee was held at the City Club of New York, Saturday, February 24, with the following persons present: Harold S. Buttenheim, Richard S. Childs, Louis I. Dublin, George H. Hallett, Jr., David Hinshaw, Howard P. Jones, Frank H. Morse, Thomas H. Reed, Murray Seasongood, Howard Strong, and Laurence Tanzer.

The budget for the coming year was submitted by the secretary and approved. Calling for an expenditure of $46,450.00, the budget is slightly higher than last year, a condition justified by the fact that the League during the fiscal year just ended received more money than was budgeted.

Mr. Hinshaw, chairman of the ways and means committee, reported interesting possibilities of new sources of income for the League, and Dr. Reed, director of the municipal consultant service, told of the work of the service. The following municipalities have been surveyed and reports rendered: Yonkers, Mt. Vernon, Greenburgh, Cortland, Harrison, and Mt. Pleasant. Surveys of Nassau County, N. Y., and Allentown, Penna., are now in process.

* * *

Western Conference on Government.—Plans are maturing rapidly for the Western Conference on Government to be held at Berkeley, Calif., March 28, 29, and 30. While the details of the final program are not yet available, a most interesting session is assured and all western members of the League are urged to set aside the dates on their calendars. A number of national organizations, including the League, are coöperating.

* * *

Judges Appointed for Baldwin Prize.—President Murray Seasongood announced the following tentative appointments of judges in the annual Baldwin prize essay contest: Professor William Y. Elliott of Harvard University, Professor Everett Kimball of Smith College, and President Stanley King of Amherst College.

* * *

President Seasongood's Book in Braille.—We have just learned that "Local Government in the United States, a Challenge and an Opportunity," by our president Murray Seasongood (Godwin lectures delivered at Harvard University), has been published in Braille by the American Printing House, Louisville, Ky. This volume has the distinction of being the first book published by the Harvard University Press to be embossed for the blind.

* * *

Our Radio Broadcasts.—The new radio series on "Reviving Local Government" is now under way. The League, through its Committee on Citizens' Councils for Constructive Economy, is coöperating in the presentation of these programs with the Committee on Civic Education by Radio of the National Advisory Council on Radio in Education and the American Political Science Association. The program for March and April is as follows:

March 13—"Social Problems in New York City." Miss Loula D. Lasker, Associate Editor, The Survey; William Hodson, Commissioner of Public Welfare; Langdon Post, Tenement House Commissioner.

March 20—"Ohio Forging Ahead." R. C. Atkinson, Director, The Ohio Institute; Leyton E. Carter, Director, Cleveland Foundation; W. M. Cotton, Assistant Director, Cincinnati Bureau of Municipal Research.

March 27—"Improving Local Government in New Jersey." Governor A. Harry Moore, New Jersey; Thomas N. McCarter, Chairman, Local Government Plan Commission; Charles P. Messick, Chairman, State Planning Board.

April 3—"Progress in Pennsylvania." Mrs. R. Templeton Smith, President, Allegheny County League of Women Voters; Professor Robert C. Brooks, Swarthmore College; William C. Beyer, Director, Philadelphia Bureau of Municipal Research.

April 10—"State and Local Government in the Control of the Liquor Traffic." Albert L. Scott, Engineer, Co-author Rockefeller Report, "Toward Liquor Control"; Yandell Henderson, Professor of Applied Physiology, Yale University; Prof. Luther Gulick, Columbia University, Director, Institute of Public Administration.

April 17—"From the Heart of the Depression." Mayor Frank Couzens, Detroit; Arthur J. Lacy, Attorney; Prof. Arthur W. Bromage, University of Michigan.

April 24—"Local Government and the New Deal." Dr. William T. Foster, Consumers Advisory Board; Harold D. Smith, President, American Municipal Association.

HOWARD P. JONES, *Secretary*

Editorial Comment
❖
March

NATIONAL MUNICIPAL REVIEW

Vol. XXIII, No. 3 Total No. 213

Federal Aid to Local Governments

LEGISLATION has been introduced into the present Congress to provide aid for the suffering school system of the country. Conditions are critical in the world of education. On all hands we find schools closed, special departments such as kindergartens eliminated in schools that are open and teachers in vast numbers working without pay. The case for federal aid to the public schools is a strong one.

The present bills provide for the allocation of federal grants or loans by the United States Commissioner of Education on the basis of relative need. So far, so good. There is talk, however, of impending changes to the bills which would force division of the money among the states on the basis of their school population. With this suggestion the NATIONAL MUNICIPAL REVIEW takes vigorous issue. If money is to be appropriated for the aid of education in this financial crisis, it should be spent where it is needed to keep the schools open. It would be the height of folly for the same proportion of funds to be allotted to Alabama, where approximately half the schools are still closed despite desperate efforts of a united citizenry to keep them open, and to New York State, which has had relatively little trouble.

There are two other points to be considered here. Unconditional federal assistance would simply result in a freezing of the present wasteful administrative organization of the school systems of many states. If federal money is to be spent, it should not be spent without strings attached, strings which would make possible the elimination of millions of dollars in waste that is due to the small school district in many states.

The second point to bear in mind is that schools are not the only local governmental service to have been hard hit by the depression. Read "Our Starving Libraries," by R. L. Duffus, to get a dramatic picture of what has been happening to the most important cultural service with which our civilization has provided adults. Or communicate with the American Public Health Association to learn of the abandonment of modern public health units which prevent disease that would take economic toll far beyond the small expenditure required for prevention. "Public health is purchasable" has been the slogan of this group for many years. It is sad but true that we are no longer buying it. This is not to speak of the other services of local government: there are communities where police protection is breaking down due to a lack of money to meet pay-rolls and renew or repair equipment. In city after city officers are riding motorcycles no longer

fit for their purpose, and firemen are fighting fires with leaky hose and worn out pumpers.

These services, too, require federal consideration. The fact of the matter is that in many sections of the country local government has been breaking down—that the services that supply the very foundation of modern civilization are no longer being rendered—and that something must be done and done quickly to prevent such communities from complete disintegration. *All* the social and cultural services of local government are important and interdependent—take any one away and the effect may be unthinkable.

It is time someone did some thinking and laid down some principles of federal aid to local governments. As a starter, these might be considered:

1. Money should be allocated on the basis of need.

2. Power should be given to a qualified administrative authority to lay down rules, regulations, and requirements (both as to expenditure of funds and reorganization of existing machinery) on which the grant may be conditioned.

3. All functions of local government should be given consideration in any program of federal aid.

H. P. J.

The Prison Probe

[Editorial from the Emporia (Kans.) *Weekly Gazette*
February 1, 1934]

MUCH good it will do to hold a prison probe at Lansing, to see who is responsible for the prison break in the state penitentiary. That break, and every other break in this state, is the fault of the people of Kansas and their own political genius.

Governor Landon is not to blame. He has to run the prison as the people want it run. He would like to run a non-political prison. Every governor would. Lacey Simpson is not to blame. He would like to hire the best men that money could buy for guards, and choose them carefully. The guards are not to blame. They would like to belong to a closely knit organization, responsible only to the warden.

But none of these things can be. Landon is handicapped by his party—indeed by the party system. The people sustain the Republican party and demand that the jobs shall be turned over to workers for the party. So Landon appointed Simpson. It was good politics. Simpson has to take as guards the men whom Landon's party workers in the various counties send to him. They send the best they can. But the guards who change with the parties are not trained for the job. The Democrats are no better than the Republicans. It is the party spoils system which the people demand.

What would happen to a governor, Democrat or Republican, who would say, "I propose to go out into the United States and hire the best prison man that I can find, whether he is a Georgia Democrat, or a Vermont Republican, or a Wisconsin Socialist. I propose to put him in charge of the prison at Lansing. I also propose to make him entirely responsible. I will give him a free hand to hire and fire his guards where he will and how he will, pay them little or much, put them under civil service so that they can stay for life or be discharged on ten minutes' notice, without saying aye, yes, or no to the governor's office in Topeka."?

What would happen to such a governor, going down to Georgia to hire a Georgia Democrat? Who would hire guards from all over the United States upon merit only? The people of Kansas would rise up and swat him. "We have good enough men in Kansas," they would yammer. The politicians would desert a governor who went outside the state for a warden. We want the kind of government we get, though we growl and grumble.

HEADLINES

County reorganization is in the air and everywhere. The Massachusetts legislature considers two bills creating commissions to study the entire county framework of the state with a view to rebuilding Bay State counties from boundaries to budgets. Cornerwise across the country, New Mexico contemplates a special legislative session to consolidate certain counties, correct the boundaries of others, and permit administrative improvements in all. Georgia, Tennessee, and Arkansas newspapers and civic organizations are pressing for county consolidation, though no ordered legislative program seems to have taken shape. To these, add whatever state the reader of these lines happens to be in at the moment, and their combined plans for doing something about counties will give a fair composite of what the rest of the Union wants.

* * *

Buffalo adopts an ordinance prohibiting injurious endurance contests, such as dance marathons, flagpole sitting, etc. It ought to extend to the public exhibitions in which the injurious endurance is borne not by the performers, but by the citizenry. These include fence-sitting contests by candidates for office, flag-flapping by patriots who need a war menace to distract attention, cross-country marathons for the rural vote, and the politicians' relay—running up the taxes and running down the jobs.

* * *

After struggling through many barriers of politics and prejudice, Seattle's city manager campaign comes a cropper in the courts. A petition for a referendum on the city manager plan which 13,300 signatories tried to compel an unwilling city council to act on, is declared illegal in that it proposes submission of unrelated matters to the public under one law, the "unrelated matters" in this case being the city manager plan of government and the proportional representation plan of voting. Advocates of charter change, however, are preparing to fight on.

* * *

Mayor Walmsley of New Orleans describes a new civic thrill: "This is the first time in my public experience that any body of citizens has been sufficiently interested to make a study of the city budget and to offer constructive suggestions." The occasion was the first meeting between officials of the city and of the recently organized Bureau of Governmental Research, to discuss the $8,000,000 budget.

* * *

New legislation in Wisconsin gives local governments the proceeds of liquor taxes, to be applied to general property tax reduction. The Wisconsin League of Municipalities thanks Governor Schmedeman and the legislature in behalf of all the cities, towns and villages in the state, saying, among other pleasant things,

"This shift from the previous policy of the state in appropriating for itself new promising sources of revenue and leaving municipalities largely dependent upon the general property tax is very encouraging indeed."

Radio as an instrument for direct action in government has possibilities worth watching. Within the last few months it has been used to swing the people in behalf of everything from revolutions to highways. January issue of *Better Roads* tells how Summit County, Ohio, used radio in a campaign to vote a half million dollar bond issue for highway improvements, in the face of tax delinquencies and economy campaigns. The campaign was successful, as *Better Roads* believes the highway improvements will be also.

* * *

After four abortive attempts, opponents of Dubuque, Iowa's city manager system succeed in producing a referendum petition that is both legally worded and sufficiently signed by bona fide citizens. Accordingly, Dubuque votes in March on whether to abandon the city manager plan.

* * *

3,780,584 fingerprints were on file in the Division of Investigation at Washington at the end of 1933, and there are not punishments enough to fit all the crimes. A recent report of Attorney General Cummings lists the phases of police activity which stand in immediate need of legislation. These include regulation of traffic in machine guns and firearms, prison escapes including complicity of prison officers and employes, resisting and killing a federal officer, inter-state transportation of stolen property, simplification of removal proceedings, escape from lawful custody while awaiting trial, waiver of indictment by grand jury in certain criminal cases, and regulation of alibi defenses. The list points to a changing technique in the world of crime. As straws tell which way the winds blow, laws tell which way the sins grow.

* * *

"The Citizen's Council stands for government of the people, by the people, 1934 model" according to Anna Steese Richardson, who devotes a page of facts, figures, and illustrative incidents in the current *Woman's Home Companion* to showing why this is so.

* * *

Among the financial curiosities unearthed by the "Pay Your Taxes" effort is this one, brought to light in the New Mexico *Tax Bulletin:* seventy per cent of the New Mexico taxpayers pay only eight per cent of the total tax budget. Fifty per cent of this group is delinquent in its taxes, by inference leaving thirty per cent of the taxpayers to bear the brunt of ninety-six per cent of the state's tax. What portion of the thirty per cent are holding the tax bag for the delinquent members of their own group, the *Bulletin* does not state. Too merciful, perhaps.

E. M. B.

Wisconsin Cities Count Their Debts

Prejudice a poor substitute for facts in public financing

GEORGE PFEIL *University of Wisconsin and Northwestern University*

THE grey-blue smoke of a hundred stubby cigars wreathed to the ceiling and dulled the already dim lights. "Eight hundred — er — nine hundred thousand dollars. I don't know how much." The speaker, a man just past fifty, wearing a cheaply fitted suit, paused. "I don't know how much it is; but it's a lot of money. The city can't afford it: it's broke now; or if it ain't broke, it will be when it gets this crazy sewer project done." He struck the much-battered table with a clenched fist to punctuate his sentences, and the stuffy hall resounded with applause started by the more faithful members of the local citizens' league.

The purpose of the public meeting was to block the proposed federal public works project: a long-needed sewerage disposal plant. Without concern for easily available facts on local municipal indebtedness, the four original opponents of the proposal thus began a campaign of confusion, which, through fear of municipal bankruptcy, now appears to have wrecked the project.

The city in which this occurred, strangely enough, has the third lowest bonded indebtedness of the seven cities of its class in Wisconsin; and it ranks fourteenth, out of 117 cities of its size in America. It is in such a case as this that a little knowledge may prove to be a dangerous thing, for every street-corner crowd could be stirred to excitement by mere reference to its "knowledge" of conditions which were pure fiction.

To avoid similar unfortunate results, by the planting of misinformation through inadequate statistical statements, statistics must be reduced to comparisons which hold meaning for the untrained mind. Those who seek to vitalize public support with factual evidence must come to realize that "statistics in the raw are seldom mild."

Consider the city of Milwaukee, which has been widely publicized as a debt-free city. Milwaukee is not a debt-free city; but the statement that Milwaukee has a bonded indebtedness of $38,484,000 does not make the picture much clearer, for there must be comprehensible comparison. One way to make it more intelligible is to reduce this to a per capita basis. Thus, in 1932, the debt appears as $66.55 for every man, woman, and child living in Milwaukee. If other conditions were equal, this would be strictly comparable to any city on a basis of dollar for dollar, person for person. Other conditions, however, are not equal. The Milwaukee citizen is deeply conscious of the growth of his city since the 1930 census, a growth which would not be truly shown in the comparison. Neither would this indicate that funds have been set aside by Milwaukee to eventually place it on a "pay-as-you-go" basis.

To adequately compare Milwaukee either with other first-class cities or with

cities of smaller size on a per capita basis, per capita valuation as well as per capita indebtedness ought to be shown. A complete comparison would contrast the needs, resources, and completed improvements of each city. In the comparison of groups of cities, there is a tendency to equalize or modify the exceptional conditions which appear in the analysis of individual cities, which actually improves rather than injures the basis of comparison. Thus, in 1930, the per capita indebtedness of cities of the first class in the United States was $185.58. For the same year the per capita indebtedness of Milwaukee was $77.85. To put this in another way, the debt for every person in Milwaukee was only forty-two cents for every dollar owed by the average person of the average first-class city in the United States.

EFFECT OF SIZE ON INDEBTEDNESS

To adequately compare the per capita indebtedness of Milwaukee to the per capita indebtedness of other Wisconsin cities, size is only one factor. Nevertheless, the significance of size in relation to debt is interesting, for the following table indicates that per capita indebtedness tends to increase in direct proportion to population.

The 119 cities of the fourth Wisconsin class have slightly more population than the eighteen cities of the third class; yet the entire 119 cities have only sixty per cent as much debt as the eighteen third class cities. Although the seven cities of the second class have eleven per cent less population than the 119 cities of the fourth class, the total debt of the second-class cities is nearly twice as large as the debt of the fourth-class cities. The single city of Milwaukee with thirty-two per cent of the population of Wisconsin cities has almost as much debt as all the other 144 cities combined!

WHY WISCONSIN CITIES BOND THEMSELVES

Wisconsin cities have built, mainly through bonding, municipally-owned electrical utilities in one out of three cities, they have constructed sewerage systems in six out of seven cities, and they have built or purchased water supply systems in fourteen out of fifteen cities. Recently expansion has been most important in the collection and disposal of garbage and sewerage.

More bonds, however, have been issued for the construction of schools than for any other single purpose. In the period from 1926 to 1931 the total amount of school bonds rose constantly, increasing over fifty per cent, in contrast to the eighteen per cent increase of total bonded indebtedness. In 1931 school bonds represented 36.2 per cent of the total bonded indebtedness.

Public improvements, which include harbors and bridges, streets and sewerage systems, in this period rose less spectacularly twenty per cent, but included an even larger total proportion of the municipal indebtedness in 1931 —46.6 per cent. With schools, this classification included 82.8 per cent of the 1931 city debt!

The indebtedness for parks increased 56 per cent in this period; but even in 1931 parks represented only 5.8 per

POPULATION AND INDEBTEDNESS OF WISCONSIN CITIES

Groups	Total Population	Years 1926	1927	1928	1929	1930	1931	1932
Over 150,000	578,249	$63.48	$68.98	$63.45	$76.76	$77.85	$80.19	$66.55
39,000 to 150,000	330,789	54.49	55.82	56.38	55.68	58.71	60.45	58.70
10,000 to 39,000	360,430	39.78	43.77	42.84	44.46	46.15	46.45	44.68
Less than 10,000	361,691	21.46	29.50	31.90	28.90	26.82	26.19	24.41
All cities	1,631,159	48.18	51.50	50.54	54.65	55.82	56.92	50.79

cent of the whole debt burden. The year 1927 provided the largest share of bonding that has existed for public service enterprises. In that year they represented 10.2 per cent of the total. By 1932 they had dropped to 5.5 per cent, and by referendum in 1932 they may be eliminated from the debt limitations of cities hereafter.

The highest proportion of indebtedness for public buildings for any year between 1926 and 1932 was 1930, and yet they required only 5.1 per cent of the total. Refunding has generally been unimportant, except in four cities. Between 1926 and 1932, the total amount of refunding ranged very close to a million dollars for the 145 cities, or an average of about sixty-one cents for each person, if equally divided. All other items, including equipment, never reached six hundred thousand dollars during any year; although the total of bonded indebtedness for cities was between seventy-nine and ninety-three million dollars.

LEGAL PROVISIONS PREVENT DEBT

The low per capita indebtedness of Wisconsin cities is at least partly due to constitutional limitations and statutory provisions. The cities of Wisconsin have been limited to an indebtedness of five per cent of assessed valuation. Other municipalities have also been limited to this amount. The state itself has been limited to borrowing a hundred thousand dollars except for purposes of war. These rigid provisions undoubtedly have worked hardships on some cities, but they have helped to maintain a low per capita indebtedness. To supplement the limit on borrowing, provisions make city bonds payable in twenty years, school district bonds payable in fifteen years, and bonds against cities of 150,000 or over (Milwaukee only) payable in fifty years. It is also provided that an irrepealable annual tax must be levied to pay interest and principal at the time the bonds are issued. All of these provisions have tended to limit per capita indebtedness, since the maximum tax rate of 3.5 per cent is usually adequate for necessary expenditures.

FEW OVERLAPPING DISTRICTS OF INDEBTEDNESS

It is significant to note, in view of the five per cent constitutional limitation, that the evasion of the limitation through overlapping public improvement districts has actually been less common to Wisconsin than to states with higher per capita municipal indebtedness. In Wisconsin the school district, when completely within a city, is part of the city instead of a separate district, and even the smaller cities may sever the school district to include the debt for schools within the city debt. Metropolitan sewerage districts with the power of levying taxes for bonded debt are to be found in only three places in Wisconsin. In only two of these places are there actually overlapping debts. Permission to exclude bonds on public service enterprises in city indebtedness was only provided in 1932, but bonds are issued against the revenue producing utility. A proposal to change the constitution, in order to create joint municipal power districts, with overlapping bonding areas, although passed by the 1931 legislature, was killed by the legislature of 1933. Had this measure passed in 1933, it would yet have had to have the approval of the people of the state in a referendum before affecting the present limitations. The difficulty of constitutional amendment has prevented the relaxation of the limitations on indebtedness, since it requires almost four years of activity and approval to effect a change.

The city dweller in Wisconsin normally lives in three overlapping districts: the state, with an insignificant debt of sixty-one cents for each person;

the county, with a maximum indebtedness of five per cent; and the city itself, with a maximum indebtedness of five per cent plus public utility bonding, since 1932.

CITIES HAVE THE LARGEST PART OF THE TOTAL DEBT

That the city debt is not a small proportion of the total indebtedness of the whole state, despite its favorable comparison with other states, may be seen by deducting sinking funds from the total long term indebtedness of Wisconsin and all its subdivisions. In 1932 the grand total, gathered from four authentic sources of information, was very close to $185,000,000, or about sixty-one dollars per capita. When that is compared with the $82,886,011.59 of city indebtedness, which amounts to $50.79 per capita for city dwellers, the large part of the city unit is made clear.

RIGID LIMITATIONS CAUSE DISTRESS

The same rigid provisions which have limited the indebtedness of cities, have, however, made them no economic Utopias during the depression. As property values have gone down and tax delinquency has increased, the rigidly fixed charges of interest and principal have taken an ever larger portion of current taxation. Thus retrenchment set in very deeply in 1931 and 1932, so that the total bonded debt of Wisconsin cities decreased for the first time in many years. Yet despite a reduction of 10.81 per cent in actual debt, the previous margin for bonding in some cases vanished, in the even greater depreciation in property valuation, upon which the margin of indebtedness is based. The drop in the recommended value of all property in Wisconsin, of 14.9 per cent, between 1929 and 1932, only poorly indicates the great difficulties confronting particular cities in 1932; while it fails to include the steeper drop in values for 1933, statistics of which are not yet ready. During this period, several cities with an adequate bonding margin, found difficulty in financing outdoor relief, because bonds could not be issued for this.

Early in the depression attention was directed to county unit systems of outdoor relief, encouraged by the Wisconsin Industrial Commission and hard-pressed cities. It was strongly opposed, however, in county areas where less relief was needed. Even where accepted, this plan offered no solution to the financial problem, for the same provisions on indebtedness limited the county's actions, in addition to the problem of raising adequate funds with a tax rate of only one per cent.

A TYPICAL DIFFICULTY

Dane County, the capital site, illustrates the difficulty. Between 1929 and 1933, Dane County valuation decreased 21.5 per cent, while indebtedness was reduced only six per cent. In 1932, Dane County paid out $353,000.00 for outdoor relief, as against $162,500.00 for general government. In other words, outdoor relief alone cost 2.18 times as much as the cost of the general government. This sum could neither be raised by bonding nor excluded from the one per cent maximum tax rate. Due to its high per capita valuation the tax rate was fully adequate. Many other counties, faced with equally heavy financial drains, have only a fraction as much per capita valuation for a taxation base. In one such county jury trials have been discontinued to save that small expense for relief purposes.

In desperation, as the depression deepened, the cities and counties appealed to the 1933 legislature for aid. With the state general fund depleted, with state bonding impossible, and with those in power opposed to further taxation on wealth to equalize the burden on property, the only remaining means was to liberalize, in so far as possible,

limitations on municipal borrowing. This latter course was followed, and practically every measure offered went unopposed through the legislature.

DEBT PROVISIONS CHANGED IN 1933

Every conceivable method to escape the rigid Wisconsin provisions was exploited. Municipalities were permitted to temporarily borrow an amount equal to all funds held by closed banks, by an act passed unanimously by both legislative houses. All cities except Milwaukee were permitted to issue bonds for emergency relief purposes, to replace the sum expended between 1929 and 1933. Counties, too, were permitted to issue bonds for "current and ordinary expenses." Two legislative acts, one of which was liberalized by amendment, abolished the provisions which bound cities and counties to include the payment of interest and principal on bonds in the maximum tax rate, which went unchanged. Another act provided for borrowing on the city's full share of uncollected delinquent taxes, payment of which was to be made *if and when* the delinquent taxes paid into a sinking fund reached the amount of the principal and interest of the bonds issued.

The most unique of the many bills concerning municipal indebtedness was the act to aid in the financing of public works under the National Recovery Act. The bill took advantage of the fact that utilities were exempted from the five per cent constitutional debt limit by an amendment in 1932. In order to provide for municipal public works under the national program, the statute declares all public works "undertaken pursuant to this federal act" to be "public utilities." Thus the five per cent limitation might have been completely evaded, provided the public works were a part of the national recovery program. The attorney general, however, declared the act of doubtful constitutionality, which will tend to prevent further borrowing under its provisions.

In order that a city may have less debt and more improvements, political romance must be sacrificed for scientific direction. Cities must plan to pay when they plan to borrow. In Wisconsin, this problem is solved by the constitutional provision for a direct annual tax to pay for the interest and principal within fifteen years for school district bonds, twenty years for municipal corporations, and fifty years for the acquisition of lands by cities and counties having over 150,000 population. Bonds should never run longer than the life of the improvement, and refunding should be discouraged.

BLUE PRINTS FOR THE MUNICIPAL DEBT STRUCTURE

Cities should plan to build when costs are low and unemployment is high; while they should plan to pay as property valuation rises and unemployment decreases. This means not only greater stability, but lower interest rates and lower ultimate costs. Recurring municipal expenses should be planned, when possible, sufficiently far in advance so that the city budget may be adjusted to lessen the need for bonding. The larger the city, the more easily this may be accomplished; for with the growth of the city, the construction and repair of school buildings, streets, and other improvements tend to become an annual expense.

Radio in Elections: Cincinnati Tries It

Tips from experience with the new arm for gathering in votes

WALTER J. MILLARD — *Field Secretary, National Municipal League*

From now on a large portion of the funds spent on influencing votes in municipal campaigns will be spent on radio. Some of this money will be spent by volunteer citizen groups which are organized on practically the same basis as is the City Charter Committee of Cincinnati. No one who contributes time or money to such an organization expects to receive any return when its candidates win other than the satisfaction of living in a well-governed community. The amount of money available is never as much as that which can be raised by the group whose real object is a return to the spoils system, so that added to the moral responsibility to use the money well is the necessity of making a small amount go far.

It fell to the lot of the writer to have charge of the campaign by radio of the City Charter Committee of Cincinnati during the weeks preceding the election of the city council in the fall of 1933. The organization succeeded in electing for the fifth time a majority of the members of that council, though by a slender majority of votes. Something of a self-examination of the organization has gone on since then to discover why the margin was so small. The late Dr. W. H. Rivers in his book, *The Psychology of Politics*, points out that when a very young baby is subject to any form of irritation it responds with the "all over" reaction—squirming and thrashing out with arms and legs—and he maintains that in all forms of mental retrogression in adult life we tend to return to this primitive response. Cincinnati has its share of those who, because they suffer economically, emotionally, and spiritually will vote against those in power whoever they be. While this can only be done by voting for those out of power it is not because of reasoned confidence in the latter.

Nevertheless, the margin held in Cincinnati, which shows that the integration of emotion and reason associated with adult action has been retained by most of the city's voters. How many were aided in this by the deliberate attempt to appeal to both reason and high emotion which underlay the radio campaign of the City Charter Committee cannot be known. Fan mail was so slight as to be valueless, and one or two of the few letters received revealed inchoate minds. Oral reports were numerous and showed that waverers were being kept in the fold even if opponents were not being changed. But these reports were not of a character that would satisfy a maker of statistical tables. Certainly no special effect seems to have been produced by any one particular broadcast. It was a source of wonder to discover the effect of the same statement on different people. If a supporter called up in irate tones to ask why a certain sentence or argument was used in the previous evening's broadcast, within an hour or two an equally loyal supporter would de-

clare the thing in question to be the most telling point in the campaign.

Metropolitan Cincinnati is blessed, if that is the proper word, with five radio stations, but one has its antennae on the Kentucky side of the river. So in deference to parochial feeling which is heightened at any local election and which was deliberately cultivated by the Republican "regulars", that station was not used. The appropriation of thirteen hundred dollars was apportioned, practically speaking, among three stations; special funds were raised for the use of the fourth which, being one of the most powerful in the world, is expensive to use. Part of the money, three hundred dollars, was set aside at first for advertising the broadcasts in the daily papers. While some money was spent for this purpose, the small amount of space out of an entire page which could be bought each day led to a discontinuance of such expenditure and the money used to buy more radio time.

A contract to use thirteen quarter-hour periods was made with the three stations principally used, the reduced terms making this very worth while. Actually a total of thirteen and a half hours was used under the committee's direction. In all but three cases this was used fifteen minutes at a time, which seems the limit for most people's mental meal. Twice when the President of the National Municipal League, Murray Seasongood, spoke at mass meetings, the speeches were "picked up" and more than one fifteen-minute period used consecutively. It was the aim to begin as many of the broadcasts as possible on the even hour, as these are easier to remember. All broadcasts were in the evening in the belief that then more families would hear them together and discussion follow. The opposition used some afternoon time, which is much cheaper, and had talks by women directed to women, but Charter women who heard them were consulted and they advised against it.

The talks commenced comparatively early, the first being on September 26 and the last on November 6, the night before election. The idea was to get to the voters before the opposition could make the appeal expected of it, to prejudice. The result of such early appeal made it evident that if ever an organization can afford the funds, a year-round program should be considered. All but two of the speakers were men. Fortunately the women had low rather than high overtones and so "received" well. Every candidate was on the air at least twice and over different stations. Eleven other men also spoke but they were, with notable exceptions, placed early in the campaign. This helped keep only the candidates and their names in the public mind during the last weeks.

KEEP CONTINUITY AND UNITY

The writer made the opening address over each station taking his cue from a statement of Henry Bentley, the chairman of the committee, that campaign time should be a period of civic education. Only on three occasions were there more than one address the same night and then, naturally, not at the same time. This made it possible for the writer to act as introducer and closer at practically all broadcasts. Thus a continuity and unity was achieved which seems important. Some speakers prepared talks which it was evident would run overtime and a gentle firmness was necessary to get them to prune them. In this way the anticlimax of having a speaker cut off by the station announcer because time was exhausted was avoided. However, on one or two occasions speeches did not fill out the time by a minute or two. The man who wrote about golden hours being set with diamond minutes comes to mind at such times. If the committee's representative can think fast he can use what has

to be paid for in any event. It was found worth while to pay attention to the type and size of paper used by speakers to prevent paper rustling.

It was not necessary to write an one's speech. If someone was not used to writing and making speeches he was engaged in conversation in the presence of a stenographer. With slight rearrangement a good speech could always be made out of the notes. When later he read what were not only his own ideas but his very words, he discovered that just as M. Jourdain had been using prose all his life without knowing it, so he had been making speeches. This gave a sincerity to all the radio utterances which is far and away the most important attribute to strive for.

VAUDEVILLE MUST BE GOOD

Twice a week the "regular" Republicans had on the air two mythical characters, Jim and Joe, who by strained satire and labored ridicule tried to discredit the city government. These colloquies were stenographically reported for the committee but the matter contained, and above all the effect produced, did not tempt us to use the method. We are quite sure it gained us many votes and it so stirred many women who previously had simply voted the Charter ticket that they volunteered to do precinct work. No successors have ever appeared to Gilbert and Sullivan, and it uses up the best brains of the Washington correspondents to create one gridiron dinner a year. This, with the experience of Cincinnati, suggests that unless you have around a first-class comic genius who is always primed, humor, during a municipal campaign at least, should be a spirit kept for one's private and occasional use and not distributed, two fifteen-minute doses a week, via radio. Not that a campaign by radio or otherwise should lack Attic salt, but this in Cincinnati Mayor Russell Wilson can always supply.

A feature of the campaign was the broadcasting of a debate, on the Sunday night before election, which took place in a large auditorium. It was between Mayor Wilson and one of the candidates of the "old-line" Republicans. His name is not mentioned because of the habit formed during a campaign of never mentioning the names publicly of any candidates but those of one's own side. The expense was borne jointly by both sides and it consumed two and a half hours. Its effect on votes at that late hour is questionable, but it was gorgeous fun. Nothing can disturb the aplomb of Mayor Wilson who at all times spoke with the unseen audience in mind. His opponent faced the "mike" for quite long periods unable to articulate because of emotion—and the law of that little magical box is that something must always be coming over.

The Cincinnati expenditure on radio of about one-half a cent for each inhabitant of the city may be a guide as to the amount of appropriation necessary. Certainly the talks should begin early and the first one or two should deal with the principles and ideals of the organization. Later talks should deal with the record of the elected men and the administration as a whole but statistics should be used sparingly. When used they should be reduced to a per capita basis. People who have been impressed by the charge of extravagance, by critics who quote lump sums spent on public recreation, can be persuaded that the amount is reasonable when the low cost for each child benefited is presented to them.

Over the radio crowd psychology is at a discount and you can reason as quietly and effectively with the average voter as if you have him face to face. Certainly the last important address should strike the note of civic idealism.

In conclusion it may be said that the experience of Cincinnati shows that the

(Continued on Page 164)

Missouri Fumbles Liquor Control

A state law that complicates city enforcement

J. G. HEINBERG

University of Missouri

A NEW system of liquor control, based upon an act signed by the Governor on January 13, 1934, is now being established in Missouri. The act provides for a state, county, and city licensing system, and creates a new state administrative officer called the supervisor of liquor control. He is appointed by the governor with the advice and consent of the senate, and serves at the pleasure and under the direction and supervision of the governor.

The sale of beer containing not over five per cent of alcohol by weight is permitted anywhere in the state. Package liquors with an alcoholic content in excess of five per cent may be sold for off-premise consumption in cities with populations of between 500 and 20,000. The sale of such liquors for on-premise consumption is not permitted in cities of this classification, unless at an election held for this specific purpose a majority of the voters approve. In cities with populations of 20,000 or over, licenses may be issued for both off-premise and on-premise consumption.

The supervisor of liquor control issues all state licenses. In order to qualify for a license the applicant must be of good moral character, a native-born or naturalized citizen of the United States, a voter, and a taxpayer. Under a ruling of the attorney general, corporations may also secure licenses. Few requirements are made as to the nature of the place of sale. There are none whatever for the premises on which beer is sold. In cities with populations between 500 and 20,000, the sale of intoxicating liquor by the package for off-premise consumption is restricted to drug, cigar and tobacco, grocery, confectionery, delicatessen, and general merchandise stores. Every store must have, and keep, a stock of goods with an invoice value of $1500, exclusive of fixtures and the liquor stock. In cities with populations of 20,000 or above, and in those which vote to permit retail sale for consumption on the premises, the law attempts to eliminate the return of the saloon by providing:

> Nothing in this act shall be construed to authorize the sale of intoxicating liquor in the original package, or at retail by the drink for consumption on the premises where sold, in a place commonly known as a "saloon", and no license shall be issued by any city council, board of aldermen or other authorities of any city in this state, nor by the supervisor of liquor control, for the sale of intoxicating liquor at retail by the drink for consumption on the premises where sold, in a place commonly known as a "saloon", nor in any building or room where there are blinds, screens, swinging doors, curtains, or any other thing in such building or room that will obstruct or obscure the interior of such room from public view.

The supervisor of liquor control has indicated that a place with a "front bar" will be regarded as a saloon. It appears that the phrase "commonly known as a 'saloon'" will give rise to much litigation in the courts.

Only nine Missouri cities have populations of twenty thousand. Therefore it is possible, at the outset, for the "harder liquors" to be sold by the drink for consumption on the premises only in St. Louis, Kansas City, St. Joseph, Springfield, Joplin, University City, Hannibal, Jefferson City, and Sedalia. Inasmuch as the state supervisor has many other duties to perform, he has so far appointed state inspectors for only these cities. His policy, apparently, is to leave the enforcement of both the state law and local ordinances largely in the hands of local authorities.

The nine cities aforementioned have either framed or are in the act of framing their ordinances. Article 25 of the law provides that:

> The board of aldermen, city council or other proper authorities of incorporated cities may charge for licenses issued to manufacturers, distillers, brewers, wholesalers, and retailers of all intoxicating liquor, within their limits, fix the amount to be charged for such license, and provide for the collection thereof, make and enforce ordinances for the regulation and control of the sale of all intoxicating liquor within their limits not inconsistent with the provisions of this act, and provide for penalties for the violation thereof.

The phraseology "not inconsistent with the provisions of this act" has been productive of much debate. The attorney general has made informal rulings to the effect that city license fees must be "reasonable". He has indicated that the municipalities may make regulations more stringent than those of the state law. He has also ruled that cities are bound to issue licenses and that license fees cannot be prohibitive. The background for the latter ruling is to be found in the fact that about one-half of the Missouri counties voted against the repeal of the eighteenth amendment. A number of cities within these "dry" counties have indicated a willingness to block the establishment of liquor stores and the sale of beer within their corporate limits through the imposition of unreasonable license fees, or by complete inaction in licensing. Such manoeuvres would clearly be impossible under a reasonable interpretation of the law.

It is not possible at this date to describe the system of control over retail sale for consumption on the premises, within the nine cities where such sale is permitted. Not all of these cities have passed ordinances. There have been no court decisions as to the precise limits of municipal control. The supervisor of liquor control has issued no regulations save that "front bars" will not be permitted.

Problems for the Cities

Apart from this, the municipalities' role in control, and the problems they must solve, can be indicated by means of a description of the situation in cities which have a population of between 500 and 20,000. In these cities, it is now possible for alcoholic beverages to be sold under three licensed forms and one unlicensed form, the licensed forms being as follows: Form 1 provides for the sale of 3.2 per cent beer, form 2 for the sale of 5 per cent beer for consumption on the premises, and for sale by the bottle for off-premise consumption, and form 3 for the sale of all types of liquor for off-premise consumption. No two of these three forms of license can be combined.[1] The fourth provides for the right of a physician to

[1]On February 19 the supervisor of liquor control ruled that persons holding permits to retail liquor in the original package might also have a license to sell 3.2 per cent beer.

prescribe intoxicating liquor and of a druggist to sell it on prescription from a physician.

Three problems of policy are presented to city councils in drawing up their ordinances. On the first two of them the state law is entirely silent.

1. On the drinking of liquor legally acquired. Where can package liquor be consumed? In homes? Some of it will be, perhaps, but not all of it by any means. The city ordinance must speak. Wherever the stronger liquors may be drunk the problem of peace disturbance arises. Hence the need for control.

2. On the matter of license areas. In what parts of the city are package sales and the sale of beer by the drink to be allowed?

3. The city retail license fee. This must be determined by a preliminary consideration of the effect of federal and state license and gallonage fees. The amount of the city license fee for retail dealers would seem to be limited by its "reasonableness" both under the "not inconsistent with the provisions of this act" phraseology of the state law, and under the city's general police powers.

If Missouri municipalities are to bear the brunt of the problems of enforcement, it would seem to be only fair that they should reap the larger revenue return from the liquor traffic. Such, however, is not the case. The state imposes both license fees and gallonage taxes. The county court (the board of supervisors in Missouri) may prescribe license fees for retailers only. The municipalities may license, and charge fees upon, manufacturers, distillers, brewers, wholesalers, and retailers. The state license fees for retailers run from $50 for retail sale of intoxicating liquor by package for off-premise consumption and for retail sale of malt liquor not in excess of 5 per cent alcohol by weight for both off-premise and on-premise consumption, to $300 for the sale of all kinds of intoxicating liquor for on-premise consumption.

State license fees are prescribed for retail sale in railroad cars, for manufacturing, blending, distilling, and for wholesalers, and solicitors. They vary in amount from $100 to $500. The state also imposes a gallonage tax of eighty cents per gallon upon spirituous liquors, including brandy, rum, whiskey, and gin; forty cents per gallon upon fortified wines; and twenty cents per gallon upon "light wines".

A Defective Law

Several serious problems arise by reason of defects in the law:

The most important question for the near future will be that of bringing the liquor traffic under the new control system. Strangely enough, the new law provides more severe penalties for the violation of the terms of licenses than for selling liquor without a license. Misdemeanor penalties are imposed in both cases, but the licensed dealer's license may be revoked and his $2,000 bond may be forfeited in addition. In proceeding against illegal sales both the county prosecutors and the city attorneys labor under a great disadvantage. These officials do not have the authority to make searches and seizures. They can make arrests and seize evidence only in case they see a violation actually taking place. Therefore, it appears that the local officials will attempt to coöperate with federal officials in the enforcement of federal laws. Federal officials have a wider latitude of enforcement power under the federal tax laws.

Another problem of administration arises because the liquor control act does not supply a precise boundary line between state and municipal authority over licensing and control. How far can cities go in imposing controls beyond those set by the state law? What

constitutes a "reasonable" city license fee? As far as the issuance of licenses is concerned, it appears that the state license must be secured first. But the attorney general has ruled that a state license in itself does not necessarily provide the basis for legal sale. Local prosecutors may raise the question as to whether the licensee has complied with the requirements and met the qualifications set forth in the act.

One city attorney summarized the new system of control in Missouri by saying, "Well, the state will get most of the taxes, and the cities will have most of the troubles of actual enforcement." A better summary could not be made in several pages. As a general rule, the cities proceeded as quickly with the framing of their ordinances as the uncertainties of the law would permit. In order to facilitate their task the attorney general invited city officials to a conference at Jefferson City in February. At this conference he attempted to interpret the meaning of the law on its many debatable provisions. A uniform city ordinance was framed by the city attorneys of central Missouri. It has been passed, with modifications, by a number of cities. On the whole, these ordinances follow the state law very carefully. Little extension of its control provisions has been attempted. The attitude of the city councils appears to be, "Let's wait for court decisions and for the development of specific abuses before we go farther."

RADIO IN ELECTIONS

(Continued from Page 160)

radio campaign of a volunteer citizens' political organization should be dignified and educational, yet neither dull nor dictatorial. It should begin early and have both as much continuity and contiguity as circumstances permit. It should appeal to the high emotion of faith as well as point cold reason to the fact of the pruned and balanced budget. It is better to have some crudeness and lack of polish than to risk losing the dominant note of sincerity.

A CORRECTION

We have been requested by the author to make a correction on the article, "Comparative Tax Rates for 284 Cities," by C. E. Rightor, which appeared in the December 1933 issue of the Review. The city tax rate for Louisville, Ky., should be $15.65 instead of $22.00. The total rate, therefore, should be $29.00 and the adjusted rate, $21.75.

THE CWA—MEN AND MORALE

By Captain Edward Macauley
CWA Administrator for California in
The Commonwealth, San Francisco

For years economists dreamed of a long-time public works program that would sustain prosperity when business started down hill.

The PWA was instituted, not to sustain prosperity, for alas there was none of it, but to try to revive business by putting men to work.

As fall came upon us, it became evident the PWA would not be able to prevent a repetition of the distress of the previous winter.

On November 8 the CWA was instituted. We had three weeks and one day to employ two million people, five weeks to employ four million.

There was no time for proper scrutiny of projects or selection of employees, but in spite of confusion and even chicanery the CWA achieved its purpose.

The early days of the CWA during which some valueless projects were approved, must be regretted. The only excuse was the pressing necessity. We were asked to hold the line—and did it.

Design for a Ward Politician[1]

A little picture of politics in the rough—and of its elements of human interest which reform tends to disregard

J. T. SALTER *Department of Political Science, University of Wisconsin*

ONE of Philadelphia's most successful precinct captains is Harry Ternberg. I was talking one day to several precinct captains from Ternberg's ward (which happens to be one of the largest and most recently settled in the city). I said to one of the experienced politicians in the group, to whom I had previously given a fine cigar, that the one quality that made for success in politics was energy rather than brains or anything else. Much to my surprise he entirely agreed with me, and added, "Take Ternberg, for example. He is as big as an elephant and quite dumb. He can neither read nor write, but he is about the best committeeman in the ward. He is always working, always meeting people, and he is out where the people can see him."

Ternberg had been pointed out to me before as I had talked to his comrades in City Hall, and the next time I saw him I spoke to him and told him that I wanted to call at his home for an interview. When I arrived at his house he was at a neighbor's (where there were six "votes") but his wife went and got him at once. He is a heavy middle-aged man of medium height, with a very florid face and a sloping forehead; his friends call him an Irish Jew—he is Jewish himself but he married a Catholic; he is partially bald, and has coarse features; he looks like a football player or an iceman a little past his prime, and seems to possess plenty of physical vigor. He was pleased to see me and cordially greeted me, as he had on several occasions before, with the salutation, "Hello, stranger!"

I told him I had heard he was one of the most successful of the hundred or more precinct captains in his ward and that I wanted to write about him in my book. He was pleased at the idea, although he had seemed heretofore unconscious of his own importance. I began by saying, "Suppose you had a son eighteen years old who was going to devote himself exclusively to politics, and that the doctor had told you that you would die before he had reached his twenty-first birthday, and that you wanted to tell him all you knew about politics so that he might become a successful politician within the shortest possible time. What would you tell him?" Ternberg appeared to be following my words with solemn comprehension. When I stopped talking he looked a bit perplexed; then he said, "So you think your son is going to die?"

I then tried another approach. I asked him to tell me how he got the people in his precinct to vote the way he wanted them to on election day. This question he understood. He then settled in his chair, and this is what he said:

[1]The material for this article was obtained in Philadelphia by the author while he was a Fellow of the Social Science Research Council. It will be included in a volume by Mr. Salter to be published by Harper & Bros.

"I see all my voters, keep good friends with them, and do them favors." (There are more than seven hundred in his precinct.) "As soon as new people move into my precinct, I call on them, and tell them who I am—the organization man. There's where I was just now. There were six votes in that house. I see the people not once a year, but every day in the week. I always have a good word for them every time I see them. I smile and bid them the top of the day. The only way to succeed in politics is to get out and work for the people." (Some of Ternberg's acquaintances accuse him of using the "crying towel"—"vote for my ticket so I can keep my job at City Hall.") "You must get acquainted with them. My father was in politics before me. He learned me politics. He showed me what politics was.

FIRST AID TO VOTERS

In this game you got to mix in with all your people. If your people know you so good, you can call them by their first name. I get out of bed at three and four in the morning to help a person in trouble. I don't get back until seven or eight o'clock, and then go to the police station to speak to the magistrate when my person comes up for a hearing. It's all in the game of politics—if you don't serve your people, they won't vote for you. I got out of a bed more than once to help a fellow and I never turned a man down in my life yet.

"Of course, I always heard politics talked at home, and when I came up in this ward I was out of work. I went into politics for a ten-dollar note. I was paid this to help around the polls on election day. A year later I had made enough friends so that I got elected to the ward committee. The other committeeman needed someone to help him. He knew me and he liked the way I worked. He backed me at my first election, eleven years ago, and since then I have been able to stand on my own feet, although my partner, who is an attorney, and I always work together. Now I guess I am the one who controls the precinct. I have never lost it in an election yet.[2]

"In the evening I often loaf at a saloon at Fifth and X street, where I meet some of my people. Plenty call me at City Hall." (He is one of the men in charge of the prisoners taken from the cell rooms to the courts in the same building.) "Other people call at my house too. If I am not there, my wife always knows where I am. Sometimes I am with a group of men playing pinochle. There is an average of three or four people a day that come to me for favors. These favors usually are police station drags, or getting someone a job."

His wife interrupted at this point and said, "He is a charity committeeman, a charity politician. We can't save a nickel around here, but we use all our money in helping other people. Now in this depression we are so poor that we had to give up the telephone."

LITTLE ERRANDS FOR THE POPULACE

He went on to say, "I know all the magistrates, and if a case comes up before a magistrate, I can handle that myself; or if I need to see a city councilman, I can do that. But, if there is a question that involves the mayor, I get our ward leader to take care of that for me. I usually go to the ward leader in case something must be done that requires the coöperation of department heads or bureau chiefs. Of course, it all depends upon whether I know these men or not. Men I know I talk to, and those that I don't know I get the leader to talk to for me. He knows them all. They will listen to him where they wouldn't pay any attention to me.

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[2]However, the depression, with the consequent desire for a change, and the appeal of Franklin D. Roosevelt caused his precinct to go Democratic by a small majority in 1932 and 1933.

"This is the sort of favors I do—an alley may be dark and the people living there may want a light. I report this to the bureau of lighting. I sometimes see the highway commissioner in order to get jobs for voters, or in case the construction work on a street is not done properly. I see the street-cleaning department about keeping the streets in my neighborhood clean. If the people in my precinct make a complaint I see what can be done about it. Sometimes a policeman in my division is given a beat way down town, and I get him switched up in his own neighborhood. The members of a party are like one big family—we all do things for each other."

Mr. Ternberg's wife interrupted again to say that her husband is always on the go. "He can't stay still; he snores a lot at night, and sometimes goes to sleep sitting in a chair after supper. He bummed school; he can't read or write so good."

WHEN EDUCATION PAYS

This being unable to read has its drawbacks even in the case of the willing Ternberg. At one primary election a worker for the opposition deftly exchanged his specially marked sample ballots for those that Ternberg was giving out to the voters. (In this ward the voter marks his own ballot—he is not "assisted.") But when the ward leader visited Ternberg's precinct and asked for a sample ballot the matter was straightened out.

He is often to be found on the corner where the trolley stops. He helps the women off the car with their baskets of provisions, and mothers with their babies. He not only helps them to the street, but in special cases he accompanies the woman to her door. He does it without condescension. He suggests that he is the people's servant and that they have a right to expect any sort of real service from him. He is not always the soul of tact, however; I observed him one primary election night and saw him roughly jump before two young women who tried to enter the polling place a few minutes after closing. And if the argument runs against him in a close-up political fight he is certain to swing his ham-like fist at the center of the opposition.

Ternberg said that he saw his ward leader every day in the week and also on Sunday. "He is my best friend," he said, "and he is a real leader. If he would tell me to go to hell, I would go. I go to see him even when I have no favors to ask merely because I like to see him, and I do not want him to forget."

SORROWS OF A PATRIOT

Mrs. Ternberg spoke up again and said, "A politician's life is all right when you have a job, but when you lose your job, it's bad." (He was once employed on a subway and he would get a fellow employee to look after his work while he sold pop and hot dogs at a ball park.) "Then you must serve the people and get nothing for it. Another thing that is bad is that we can never leave this place—never move to any other section. This house needs a lot of repairs, but we must stay because a politician must live where his friends are. Otherwise he must start all over again. His friends in the precinct are his political capital."

Ternberg watched me write as he talked. "You can write awfully fast. I bet you could make a hundred dollars a week writing." When the interview was nearly over he asked me to read what he had told me. I put in a few connectives and skipped over some of the uneven places. He looked very happy and smiled at his wife. She seemed pleased too. When I left he told me that he wanted to be sure that I had his name spelled right, and said that if I ever got arrested he would help me too.

Campaign Promises—Before and After

Political fare would improve if we made candidates eat their own words

J. M. LEONARD

Detroit Bureau of Governmental Research

BACK in 1914 a law suit either added or removed—it is hard to determine which—one of the foundation stones of our democracy. It determined the legal value of a pre-election promise.

The late Mr. John Purroy Mitchel, during his successful campaign for mayor, had "disclaimed on his part any intention to change or attempt to change (any) laws during his administration as mayor." After election, however, he started to rearrange the ordinances governing civil service. Mr. O'Reilly, a citizen and taxpayer, sued to prevent this apparent breach of faith. But the learned judge held that pre-election promises have no aspects of a contract. In concluding his decision the judge said:

> . . . The student of politico-legal science may discover a fertile field for research and thought in the study of the interesting question as to whether any legal method may be devised for compelling public officials to live up to the platforms of principles upon which they were elected, but in the absence of any authority or principle justifying the relief sought, the motion to overrule the demurrer to the complaint will be denied, with $10 costs.[1]

It is easy to picture Mr. O'Reilly sitting late by the gas light in his New York flat, pouring over the campaign promises and speeches as reported in his newspaper—there were no radios in those days—and, after much thought, coming to the conclusion reached by many before his time, that we suffer as a nation from too many laws. "Therefore," Mr. O'Reilly probably reasoned, "any candidate who promises not to add any more laws to what we have is the man for my vote."

However, the pre-election promise did not deter Mr. Mitchel. To carry out his plans he sought to make changes that he believed necessary in certain ordinances. If his board of aldermen were with him these could be made legally, despite the apparent breach of faith. Not infrequently an honest official may elect to override the letter of a campaign promise in favor of the spirit in which it is made. But when is a pledge not a promise? And how is the luckless voter going to hold a successful candidate to something like performance consistent with the pledges, if the pledges have no tangible status?

The candidate's personal attitude toward matters of honor might tell the voter what to expect, but in New York, or in Detroit, or in any but our smaller communities, it is quite impossible for the perplexed voter to know a candidate personally. He must base his judgment of his fitness by the candidate's written

[1]This case from Keener's, Cases on Contracts, Second Edition, page 12. O'Reilly v. Mitchel. Reported from the New York Law Journal, April 1, 1914.

and spoken word, or by the testimony of persons who may have little more definite information. As to pre-election promises, according to the courts, and as most people have come to realize by now, the disappointed voter can solace himself with the theory that to have voted intelligently he must have had clairvoyant powers—ability to forecast the intentions of a candidate after elected to office, ignoring as evidence everything said or done prior to election.

Pending the researches suggested by the judge in Mr. O'Reilly's case, there is some hope for the voters in the device created in Detroit in the November 1932 election.

Democrats were supposed to be scarce in Michigan up to this election, when it was discovered that most of the Republicans were either just fooling or were in disguise—they were Democrats at heart all the time. County officers in this state formally are elected on a partisan ticket, but all the election issues are really decided at the primary election. Those who win the Republican nominations are automatically elected, Texas style. But in the fall of 1932 the Democrats thought they might have a chance—they freely admitted that it was extremely slight, since some of the Republicans running for re-election had been in office ten years or longer. Their chances looked even better after the primaries, but it took a strong man to believe that the Republican habit could be discarded in just one election after a tradition of twenty-five years.

ALL DRESSED UP AND—

One of the leaders of Democracy in Michigan, when it took nerve to be called a Democrat, was Judge Arthur J. Lacy, an upstanding citizen with the welfare of his party at heart as closely as the welfare of his city. Judge Lacy suggested that a contract be drawn between the Democratic nominees and the public, offering something that the Republicans had never thought necessary to offer—economy in county affairs. The pledge read:

> A Pledge to the People of Wayne County
>
> In this time of unprecedented economic and social distress the Democratic candidates for the various Wayne County offices declare their convictions that the chief causes of this condition in so far as the taxpayer is affected, were brought about by the disastrous policies pursued by our county government for the past decade.
>
> Therefore we, the undersigned candidates for the various county offices, having the welfare of our citizens in mind, do hereby solemnly pledge that we will cut the cost of county government at least twenty-five per cent below the 1933 budget and abolish the widespread practice of loading the public pay-rolls with officials' relatives.

This pledge was signed by the eleven Democratic patriots who were in the running. At that time they would have signed anything in which a vote might be concealed. They did not know. Then election day came, and with it the amazing fact that a nationally popular Democrat plus an economic disaster could carry a Republican state and county ticket, as well as a nation.

—NO PLACE TO GO!

Now, if Judge Lacy had played the game as an organization man, he would have forgotten the agreement the other gentlemen so playfully signed. But he immediately brought the matter to the fore, reminding them that the people voted for the winning Democrats because of a belief that they stood for economy in public affairs. Perhaps the Judge was wrong, perhaps Mr. Roosevelt did the job, but that was beside the point. Publicity had been given to the pledge, and the Judge would not be turned aside.

The wails which arose were pitiful.

It was first charged that the Judge had switched pledges—reading one, and then offering another for signature. But the character of the Judge made this alibi very weak. Then it was discovered that most of the signatories had believed that they were to cut the 1932 budget, not the 1933 budget (as pledged) which was about 10 per cent lower than that of the previous year. But it sounded silly to admit they had signed something they had not read. So it was next claimed that it was un-American to sign a pledge to cut wages when the crying need of the city was more buying power and more employment. But such factors were fully known at the time of signing, so these claims only made the matter more involved. The sheriff announced that he considered the pledge illegally made; employees had the right to their budgetary wages. Everyone knew, however, that in this county without civil service protection, no employee would contest a cut in wages even if he had any legal rights.

Claims, counter-claims, and argument and wails could not avail. With much newspaper pounding most of the new officials fell into line. In the first year the county clerk, who was for economy from the day he signed the pledge, has reduced his expenditures exactly 25.8 per cent. The register of deeds has reduced his 21.3 per cent. The county drain commissioner reduced expenses 32.0 per cent—46.2 per cent if all expenses are included.

BITTER ECONOMY PILLS

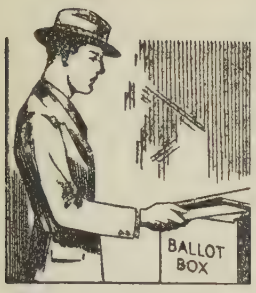
The county surveyor who only received ten dollars a week, was able to reduce his "budget" 5.1 per cent. (County surveyors in Michigan, it should be explained, have no duties, no expenses, and only a few have salaries. They have only titles, and elections.) The coroners, two of them, have only been able to reduce by 16.1 per cent, although there are always people to be found to wonder why a coroner is necessary at all. Some items of their expenses, however, are under the control of the Board of County Auditors. The county treasurer does not take office until six months after the balance of the other county officials, but signs point to his adherence to the pledge.

This leaves the sheriff alone of all the pledgees to show but a 9.04 per cent reduction, with a defiant claim that he cannot reduce further but saying little about the board of auditors' responsibility for most of the reductions realized. He cannot cut salaries, although the employees of the city of Detroit, constituting 80 per cent of the population and taxable wealth of the county, have endured a 25 per cent salary reduction for a little more than a year. And he cannot cut his force, although many of the duties of the Michigan sheriff have become obsolete. The other three officers who signed either failed of election or are members of commissions where they are outvoted.

APPLYING HINDSIGHT TO FORESIGHT

While the sheriff has somewhat nullified the effect of this pledge, it has been successful within limits. At least it has reduced the clairvoyant theory to a degree that makes intelligent voting practical. The budget for 1934 carries authorizations at the 1933 rate, without any more 25 per cent reductions. Whether these economy candidates will carry through (the term is for two years) or will apply their pledge to the 1933 budget, remains to be seen.

On the nepotism issue, only two vital factors have been indicated so far. One is the defense of one of the pledged gentlemen, caught with his father on his pay-roll, that it is not nepotism until you have over two relatives on the pay-roll. The other is that in place of putting their own relatives on their pay-rolls, the successful candidates are appointing the relatives of other Democratic office-holders.



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

Proportional representation ("P. R.") is a method of electing representative bodies which assures any group of voters the same share of the members elected that it has of the votes cast. It is designed to guarantee majority rule and minority representation. In its best form (the "Hare system") it makes primaries unnecessary and keeps scattering votes from being wasted by means of a preferential ballot. It thus makes impossible the domination of organized political minorities.

P. R. Officially Proposed in Boston

BY HERMAN C. LOEFFLER

Secretary of the Boston Municipal Research Bureau

Just ten years ago a legislative charter commission examined the charter and laws affecting Boston. The commission's findings, which were laid before the following legislature of 1924, began with a dozen pages of majority report on various questions of city government, and was followed by the usual multiplicity of minority statements in such documents—seven in this case. Notable among the latter was a statement favoring proportional representation signed by Dora Emerson Wheeler and by George R. Nutter, long-time fighter for better government under the aegis of the late Good Government Association. Unfortunately the eloquence of these two rebels was insufficient to sway the opinions of the other members, and so this chapter of local governmental history closed with the inclusion of thirty-six pages of carefully prepared text and appendices filed by these long-time friends of proportional representation.

Commission Report of 1934

A decade later, after the passage of various minor reforms, the current depression brought to the Massachusetts State House and the legislature of 1933 a vociferous group of Boston taxpayers demanding an investigation, à la Seabury, of the high cost of city government. Dame Rumor has it that a charter commission was set up merely to pour oil on these troubled waters.

At any rate, during the autumn of 1933, this commission of seven legislators and two citizen appointees held a series of hearings, mostly in executive session. The Commission's report to the 1934 legislature, which has just been made available to the public, makes recommendations for continuing Boston's non-partisan system of elections, for a system of run-off primaries in order to eliminate the "minority" mayors who have been so frequent under the present system, for an "automatic" recall election midway in the four-year terms of future mayors, for the right of the mayor to run for re-election immediately instead of after the lapse of at least four years, for the election of a council of eleven members at large, for the elimination of all tax limits for Boston, and for a number of other changes.

P. R. Recommendations

It is a pleasure to record that the 1933 commission reacted more favorably to the idea of proportional representation than did the similar body ten years ago, even though the present commission recommends not P. R., but plurality election at large for a council of eleven members instead of the election from twenty-two wards which is now in effect. In

short, the commission has wrestled with a serious problem of municipal government, shies away from a real solution, and contents itself with the following compromise:

"The Commission further recommends that there be inserted in the charter a permissive provision whereby after 1936, upon petition of ten thousand voters, the people of the city would have an opportunity to vote on the question as to whether the council at large should be elected by the method of proportional representation or not.

"While some of the Commission, as indicated by the supplementary report attached hereto, feel that this method of election should be recommended at once, all the Commission agreed that it would not be wise at this time to submit to the electorate a question involving proportional representation until an opportunity had been given for those interested in this method to inform the electorate more fully with regard to its purposes and actual operation."

There is some justification for delay in order that an educational program may occur before the method of proportional representation is adopted. Some work by Mr. Hallett at the time he appeared before the commission helped to inform some important local leaders. Moreover, a few enthusiasts have talked before various groups and have conducted mock elections which are always of great help. Much work remains to be done, however, if this system of elections is to be understood and to have a fair chance of success, once it has been adopted. Unfortunately the groups in Boston which will take up such a program are very limited in number and size.

The commission as a whole made no mention of the application of proportional representation to the election of the five members on the school committee of Boston. A minority opinion by three members of the commission, quoted below, urged that this be done, and also suggested the system of preferential voting for the office of mayor. In this connection it may be of interest that, of the briefs filed by various organizations with the commission, only the brief of the Good Government Association suggested a city manager form of government and the possible elimination of a mayor elected by the people.

What the legislature which is now in session will do with the majority and minority recommendations of the commission is, of course, unknown at this time. It is likely that, in so far as P. R. is concerned, the best that can be hoped for is acceptance of the majority's report suggesting charter provisions which would permit future referenda on the question of P. R. for a small city council.

Quotations from Majority Report

The commission quoted from the following analysis which had been submitted to it in a report of the Boston Municipal Research Bureau which urged the adoption of the method of proportional representation for the election of the city council.

"The unfairness of the system of ward elections of Councillors which has been the method in effect since 1925, is indicated by an analysis of council returns (see accompanying full-page analysis) which is summarized below:

"(1) Of the 110 councillors elected since the ward system went into effect in 1925, a total of 65 individual candidates have been elected by a minority of the votes cast. If eight uncontested elections are excluded (the strength of the opposition, if any, being unknown) the ratio of successful minority candidates becomes even more striking.

"(2) In three of the five elections the total vote for all 22 winning candidates was a minority of the total votes cast for all candidates (41.5%, 46.9%, and 47.6%). In other words, the council collectively did not represent a majority of the voters.

"(3) In the individual wards, minority candidates have won all five elections from 1925-1933 in two wards, from four to five elections in ten wards, and from three to five elections in 14 of the 22 wards."

Minority Report

As has been indicated, a minority report of three members of the commission favored the election of both city council and school committee by the method of proportional representation, and of a mayor by the system of preferential voting with transferable ballots. The minority report argued as follows:

"While concurring in the recommendations of the majority report in every respect, we feel that the method of nominating and electing a mayor and the method of choosing the city council as embodied in that report represent a compromise rather than the best method which could be recommended. We feel that experience, not only in several cities of the United States but in many foreign countries, including the Irish Free State, of the method of electing representative bodies by proportional representation has proved a signal success. Such a method of electing a city council at large was recommended to us by the Municipal Research Bureau, by the Boston Chamber of Commerce, by the Real Estate Exchange, by Mr. George R. Nutter, and others. It is being recommended by Judge Seabury in connection with a new charter for the city of New York. It has without any question in our minds the merit of making the vote of every voter count toward securing some representation favorable

Boston Election Returns for City Council, 1925-33, and Percentage of Votes Received by Winning Candidates[1]

Ward	Total Vote in Each Ward					% of Total Vote For Winning Candidate				
No.	1925	1927	1929	1931	1933[2]	1925	1927	1929	1931	1933
1	9,690	7,347	11,466	10,290	14,653	31.5	35.2	40.7	48.3	32.7
2	9,323	8,349	10,626	5,819	10,327	58.8	56.7	49.1	67.0	45.9
3	5,673	3,338	8,002	4,475	10,807	96.7	99.9	55.6	100.0	40.5
4	6,668	2,785	7,427	4,535	7,911	59.0	67.3	53.2	65.4	68.7
5	7,039	3,092	7,777	3,140	6,735	77.1	100.0	49.3	99.9	99.7
6	8,011	2,700	8,768	7,760	11,058	23.1	100.0	40.6	47.5	38.0
7	8,079	2,530	9,671	7,643	10,666	42.7	99.5	38.7	43.3	55.1
8	7,250	5,054	7,730	6,724	8,345	36.5	60.1	53.4	42.5	64.1
9	6,977	4,218	6,865	5,147	8,042	35.5	67.4	27.8	36.0	65.2
10	8,088	6,721	9,277	7,522	9,601	45.2	22.9	51.8	33.1	43.0
11	8,005	5,800	9,251	7,342	9,827	28.9	41.5	45.9	46.6	46.4
12	8,062	4,039	8,714	6,851	10,811	35.6	66.2	38.7	46.6	40.0
13	8,271	4,943	9,057	6,552	9,688	24.4	50.1	40.6	44.6	38.4
14	8,378	7,044	10,516	10,723	13,583	35.6	53.6	44.9	30.7	36.6
15	8,254	4,100	9,717	7,931	9,866	32.3	40.1	27.5	64.4	35.8
16	7,447	5,139	10,913	8,223	13,410	64.6	32.5	63.1	46.5	31.0
17	8,733	5,451	10,864	9,873	13,057	30.4	57.1	54.7	52.8	50.9
18	8,229	6,647	12,317	11,096	14,308	27.0	44.6	46.8	55.6	47.9
19	8,211	4,831	10,560	7,491	11,054	30.8	47.6	56.6	58.3	57.1
20	8,660	2,928	12,037	9,216	14,802	46.0	99.7	46.4	49.7	30.2
21	6,337	2,187	8,176	5,177	9,641	50.3	86.5	47.5	24.2	48.8
22	7,269	6,146	9,718	5,231	10,220	27.3	48.6	69.5	82.2	63.2
	172,654	105,389	209,449	158,761	238,412	41.5	56.1	47.6	51.2	46.9

Summary of Percentage of Votes Received by Winning Candidates

Percentage of Total Vote for Winner	Elections of 1925	1927	1929	1931	1933	Total
Under 30.0%	5	1	2	1	—	9
30—39.9%	8	2	2	3	7	22
40—49.9%	3	5	10	9	7	34
No. Minority Candidates	16	8	14	13	14	65
50—59.9%	3	4	6	3	3	19
60—69.9%	1	4	2	3	4	14
Over 70.0%	2	6	—	3	1	12
No. Majority Candidates	6	14	8	9	8	45
Total Elected	22	22	22	22	22	110

to him or her in the council. If, for instance, 220,000 voters in Boston were to elect eleven councillors at large under a really representative system, any group of 20,000 voters having pronounced views on city government should be allowed to have one representative who expresses those views. The system of proportional representation is the only system with which we are familiar which permits of such truly democratic representation. Its merits are perhaps best expounded in the following paragraphs from Judge Seabury's argument, wherein the word 'Boston' could well be substituted for the words 'New York.'"

The report then presented a liberal quotation of some 1,300 words from Judge Seabury's splendid report urging the inclusion of P. R. in the new charter of the city of New York, and continued:

"We further feel that the mayor of Boston should be elected by preferential voting. This method, similar to the voting under the method of proportional representation, would allow a nearer approximation to the wishes of a majority of the voters than either the present system or the system of run-off primaries. It would also save the taxpayers $30,000 each election year in that it would make a run-off primary unnecessary.

"The advantages of proportional representation are so great that while the commission's report makes no suggestions for changes in the method of electing the school committee, we feel that this same system should prevail in school committee elections. Accordingly, we have prepared a bill which we heartily

[1]Prepared by Boston Municipal Research Bureau.
[2]Unofficial returns.

recommend to the Legislature, which, after the year 1936, would allow the voters of Boston to express their views on adopting proportional representation for the city council and for the school committee, as well as preferential voting for mayor. While the bill seems long and complicated, the procedure to be followed by voters is extremely simple. The length of the bill is due to the elaboration of rules to be followed by the Election Commissioners."

This twenty-two-page bill, prepared by the staff of the Boston Municipal Research Bureau, contains the usual rather lengthy provisions for such matters as the marking and counting of proportional representation ballots. In addition three provisions for referenda (P. R. for city council, P. R. for school committee, and P. V. for mayor) are included, any combination of which can be applied to the main body of the bill. Hence the legislature, if it follows the majority report, can easily extract provisions covering the election of a city council by proportional representation. At this or any future sessions of the legislature there will also be available proportional representation provisions with relation to the school committee, and preferential voting provisions for the office of mayor.

The Mayoral Situation

Since most of the agitation which brought about this legislative discussion of election methods arises from the prevalence of "minority" mayors in Boston it seems fitting to include part of the commission's discussion of this point:

Except for the legislation of 1918, which eliminated the recall and provided that a mayor could not be a candidate to succeed himself, the charter provisions regarding nomination and election have continued as provided in the charter act of 1909.

"The legislation of 1918 by which the recall was eliminated came as a result of conditions which prevailed during the election of 1917 and immediately following that election. The recall provision, included in the charter act of 1909, provided for a recall vote after two years of the mayor's term had expired. It required a majority of the total registered vote of the City to recall, and on neither of the two occasions when the recall was on the ballot was it effective. The petition to the Legislature of 1918 asked for repeal of the recall and at the same time provided that the mayor should not be allowed to become a candidate for a second consecutive term. Because of political conditions in Boston at that time the new plan was quite generally approved by the various factions, and the change was made with little difference of opinion within the legislative branches.

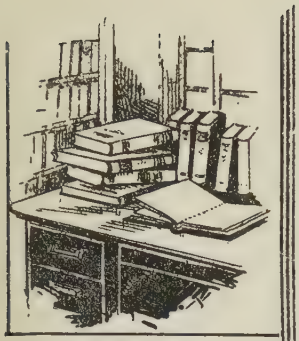
"The following table shows the number of candidates for mayor, in each of these elections, the total vote cast at each election, the vote of the winning candidate, and the approximate percentages of voters who elected him in each case. (The mayor who took office this January won by a plurality of but 1,723 votes).

Year	Number of Candidates	Total Vote	Vote for Winner	%
1909	4	95,393	47,177	49
1913	2	80,823	43,262	53
1917	4	88,302	37,923	42
1921	4	161,186	74,261	46
1925	10	182,065	64,492	35
1929	3	216,513	117,084	54
1933	6	249,198	70,035	28

Conclusion

Proportional representation has taken a step forward locally and the 1934 legislature may now clear the way for putting it over in Boston, if and when a proper campaign convinces voters of the need for it. For this progress thanks are due in large measure to "the assistance rendered by George Hallett, Jr., secretary of the Proportional Representation League of New York City, in an able presentation (before the Commission) of a proposed plan of preferential voting and proportional representation." The Research Bureau was glad to arrange for his attendance at the hearing, and subsequently for a luncheon meeting and a brief radio speech to discuss this subject.

The writer retains the sense of time of a geologist in considering recent local developments. Ten years ago, while engaged in civic work with the Citizens Union, he helped in making an analysis of election returns for aldermanic elections in New York City and in preparing a report urging the use of proportional representation for the election of that local legislative body. The recommendations were tenderly filed away in the report of the New York Charter Commission report of 1923. A decade of waste and corruption passed. A Seabury came to power and the rats who did not flee were chased overboard. His penetrating insight seized on proportional representation as an all-important consideration for New York's charter. With this development in New York, and the fine government which P. R. helped and is helping to secure for Cincinnati, the idea of proportional representation can never again have quite the same calm of academic consideration in this country of ours. Some day it will receive broad acceptance as an essential of democracy, and be written into many city charters.



RECENT BOOKS REVIEWED

EDITED BY EDNA TRULL

Planning for the Small American City. By Russell Van Nest Black, in collaboration with Mary Hedges Black. Chicago, Public Administration Service, 1933. 90 pp. $1.50, cloth; $1.00, paper.

A significant fact about this noteworthy monograph is its issuance, not by a city planning organization, but by the Public Administration Service. Thus, planning is recognized as a problem not merely of map-making and picture sketching, but of government and administration.

The monograph (or should it be called a duograph?) is an outline of principles and procedure especially applicate to cities of 50,000 or less. As there are 2,974 municipalities in the United States of from 2,500 to 50,000 population, and only 191 of larger size, this restriction in scope beckons a much wider circle of readers than would be attracted by discussions of subways and double-decked streets.

As explained in the foreword, "The book is written . . . to tell operating officials and interested citizens how to make a plan and how to carry it out; it is not primarily a technical treatise on planning design. Mr. Black discusses the elements of the plan chiefly to describe the ideas which progressive planners have worked out in the last few years to meet new conditions caused by the automobile and our changing habits of living and working."

The twenty chapters are grouped under three main headings: Making the City Plan; What Modern Planning Offers the Small City; Carrying Out the City Plan.

In part one are discussed general planning problems within and beyond the borders of the city, steps in plan making, and essential basic data and legal background of city planning. Part two discusses such subjects as street plan and design, parks, playgrounds and other recreation areas, zoning, public buildings, airports, sewerage, water supply, transportation, housing, and beautification. Permanent organization for planning and plan administration is the main theme of part three. Chapters are also devoted to control of land subdivision and development, zoning administration, long-time finance, methods of paying for planned improvements, and the problem of city support in plan realization. There is also an excellent bibliography and numerous reproductions of plans and photographs.

Paragraphs from the author's introduction and from his discussion of permanent organization are especially worth quoting:

"Two problems confront every community: the improvement of present-day conditions and the anticipation of future needs. There is an inclination to feel that unless large growth is immediately in prospect there is no need for planning. Growth has been overemphasized. It offers fewer real advantages than is often realized. It brings widened scope for business men, but also increased competition. It swells the city treasury but brings costly obligations at times equaling or exceeding the increase of revenue. Growth is always a responsibility to be met by far-sighted planning.

"Without growth, much still remains to be done. Change is always in process. Improvements can be made as a part of reconstruction. There is no city or town in the United States which cannot consume the energy of generations simply in bringing itself up to the known standards of best living conditions.

"No city plan is ever finished . . . A plan which is not kept alive and abreast of the

city's growth and development will disappear in the dust of some city hall pigeonhole. An effective plan, therefore, requires a vigorously active and continuous organization to keep that plan constantly in the forefront of municipal activity and to make changes and adjustments in it as they become necessary."

Many practical suggestions for carrying out these objectives are offered to the reader of this—one of the best dollar's worth ever made available in city planning literature.

HAROLD S. BUTTENHEIM

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The Theory and Practice of Modern Taxation. By William Raymond Green. Chicago, Commerce Clearing House, Inc., 1933. 266 pp. $2.75.

This book is disappointing, in the first place, because of what it might have been. As a judge of the United States Court of Claims and a former member of the Ways and Means Committee of the House of Representatives, the author should be exceptionally well qualified to write a first-hand account of the day-to-day business of tax-making and so to add a valuable contribution to the literature of public finance. He has chosen instead to hammer a more or less haphazard collection of ideas culled from many different sources into a fragmentary and inadequate discussion of tax principles. What he has written thus offers the mature student virtually nothing which he cannot get elsewhere in more satisfactory form.

In the second place, the book is disappointing because of what it tries to be. Judge Green tells us frankly in his preface that his book was written for those who do not "have at their disposal the time necessary to go through . . . elaborate and scientific expositions" of the subject. The present reviewer has no sympathy whatsoever with the current fad for "popularizing" economics by writing books which gloss over or ignore the difficulties of mastering the field under the guise of being "practical" or "progressive" or "time-saving" or what you will. Such works can result only in the further growth and spread of the half-baked thinking with which a distressed world is already too abundantly cursed.

Finally, even for what it is intended to be the book is not satisfactory. An author who sets out to present an adequate discussion of taxation (even for popular consumption) in a scant 250 pages needs to organize his material carefully and condense it drastically. In fact, the book is very badly organized and often quite wordy. A particularly irritating defect is its repetitiveness. For example, in a book where space for words should be precious we are told no fewer than three times that Adam Smith believed a tax imposed on low-paid laborers did them no particular harm in the long run because their wages must be raised enough to enable them to meet it (pp. 21, 24-25, 34). And this is only one of many examples.

It should also be noted that through carelessness in framing his statements Judge Green now and again says something he surely does not mean. An instance may be found on page 10, where we are told that "under the exigencies of the war, rapidly progressive rates were levied upon incomes, which ultimately rose to a total of 77 per cent on an income above $1,000,000." To a reader not familiar with the facts this would convey the impression that the recipient of an income of more than $1,000,000 paid 77 per cent of it as an income tax, which is not true. Such carelessness is particularly bad in a book designed for readers who may be expected to have neither a critical turn of mind nor the specialized knowledge necessary for intelligent scepticism.

REAVIS COX

Columbia University

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Current Problems in Public Finance. A series of lectures delivered at the National Conference on the Relation of Law and Business, held under the auspices of the School of Law and the School of Commerce, Accounts and Finance of New York University, December 5-9, 1932. New York, The Commerce Clearing House, Inc., 1933. 391 pp.

To the growing number of people who are interested in a discussion of the problems of public finance—federal, state, and local—and their solution, the addresses delivered at the New York University symposium will prove a rich field of material.

The volume brings together the reasoned conclusions of representative leaders in commerce and industry, finance and law, as well as public officials, economists, political scientists, publicists, and spokesmen of national

associations interesting themselves in this field.

The papers cover a wide range—the proper scope of governmental services, retrenchment in local governmental expenditures through both economies and coördination of services, readjustment of taxation both federal and local, consideration of the sales tax and other special taxes such as on banks, utilities, and chain stores, the rise of public credit, governmental defaults, the revision of war debts and tariffs, and finally the need of intelligent opinion in dealing with a subject so broad. There are naturally some differences of opinion upon an acceptable program, which only add to the value of the discussions contained in the book.

C. E. Rightor

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Government in the United States. By Claudius O. Johnson. New York, Thomas Y. Crowell Company, 1933. $4.00. 696 pp.

In this era of rapid change in the structure of government and in the functions which government is called upon to perform no textbook dealing with these subjects can long claim to be up-to-date. Professor Johnson's book has been published recently enough, however, to include the early changes brought about by the "New Deal" legislation and bears evidence of having been recently written. Although in typical textbook fashion it presents huge quantities of factual material and is without an obvious thesis, the reader who is not overwhelmed by the mass will note the rapid permeation of the tentacles of federal control into areas formerly ruled in large part by state and local governments or left free from political control of any kind. There would have been advantages in the allotment of emphasis so as to make more apparent this and other tendencies of development, for the purpose of revealing more clearly, and interpreting, the living processes of government in their adjustment to social and economic change. Unfortunately the textbook tradition demands the marshalling of a vast store of data concerning the subject dealt with. It demands that the author write comprehensively of the facts commonly included in textbooks in his field. Professor Johnson has written comprehensively, and has deftly presented a wide range of factual materials in such a way as to make individual paragraphs and sections easily readable, but he has not always overcome the difficulty of preserving in the mind of the reader an awareness of the relation of given paragraphs and sections to his organization as a whole. The criticism is essentially a criticism of the text book method, of course, rather than of this particular volume.

The book differs from its predecessors in that it does not follow the usual national-state-local arrangement, but discusses given subjects across these lines, thereby eliminating the repetition of much detail and stressing the fact that the lines between the several governments are becoming more and more obscure. The emphasis, naturally enough in view of present trends, is upon the national government. A substantial amount of space is given to state governments, but counties and municipalities receive only slight mention. Constitutions, political parties, and legislative, executive, and judicial powers receive their usual treatment. In addition a commendable emphasis is placed on problems of administration and Professor Johnson has not failed to deal adequately with the important subject of the expansion of administrative performance.

In short, the book as a whole is to be commended for accuracy and interest in the presentation of relevant details, and for comprehensiveness unless there be ground for criticism in the lack of attention given to county and municipal governments. This reviewer questions whether the presentation is made in such a way as best to lead to intelligent comprehension of governmental phenomena.

Carl B. Swisher

Columbia University

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The Valuation and Regulation of Public Utilities. By John H. Gray and Jack Levin. New York, Harper and Brothers, 1933. 143 pp. Seventy-five cents.

This volume is one of a series of small books on contemporary economic problems designed for the convenience of general readers and students interested in brief, concise summaries by competent authorities. The purpose has been admirably attained, not only because of the authors' long and distinguished experience as valuation experts and discerning students of public utility regulation, but because of their ability to reduce an exceed-

ingly confusing subject with many ramifications to clear-cut, fundamental principles.

A brief introductory section traces the development of public utility regulation and emphasizes the increasingly dominating sway of the courts in determining the success or failure of the regulatory experiment with the solution of the problem of valuation holding the key to effective regulation, and with the courts appropriating the power to determine what is "fair return on fair value," without at any time adequately defining these terms. Attempts at utility regulation have, the authorities hold, been futile. Two decades of thwarted effort at railroad valuation by the Interstate Commerce Commission are drawn on largely for illustration and the activities of the state regulatory commissions are characterized as "a game of hide-and-seek with the vague decisions of the courts."

Their conclusions are "that under the present doctrines and rulings of the courts, the delays and expense make effective regulation of public utilities clearly impossible. . . . The decisions of the Supreme Court have essentially destroyed the idea of regulation by expert commissions." "It is not a little ironical," they add, that the Supreme Court, by leaning backward to defend property rights, "has been largely instrumental in redirecting public sentiment to public ownership once more."

FREDERICK L. BIRD

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Wanted: Intelligent Local Self-Government. By George O. Fairweather. Chicago, The University of Chicago Press, 1933. 52 pp. Twenty-five cents.

After an intensive study of tax assessment practices in Cook County, Mr. Fairweather sought their explanation. The answer to this and other weak spots in our governmental system lies, he believes, in the party system which is based on feudal personal loyalties. He summarizes in realistic fashion the way in which the party system operates to permit a small irresponsible group to control governmental affairs. The second section of the booklet is devoted to a description of the party system as it should be in order that the people might actually control parties for the general interest. Concrete suggestions as to changes in organization and method are offered. The author thinks that there is already wide dissatisfaction with the existing conditions and that the opportunity for change is genuine.

*

Proceedings of the Sixth Annual Northwest Fire School. Minneapolis League of Minnesota Municipalities, 1933. 47 pp.

The Northwest Fire School, sponsored by the League of Minnesota Municipalities, the State University, and the State Division of Insurance, with the coöperation of commercial underwriters and fire departments of the leading cities, aims to establish a training center for the practical study of problems of fire fighting and fire prevention. Fifty-four Minnesota municipalities, as well as a number from other states, were represented at the session last September. The major subjects discussed were various controverted points in fire fighting practice, the crime of arson, fire ventilation, inspection for fire hazards, inflammable liquids, industrial hazards, fire alarms, forest fires, and the law of fire fighting outside the municipal limits.

*

Refuse Collection and Disposal, Part II, Ash Collection and Disposal. By Hazen Pratt. Rochester, Rochester Bureau of Municipal Research, Inc., 1933. 56 pp. mimeo. Fifty cents.

At the request of the Commissioner of Public Works, the Rochester Bureau of Municipal Research undertook an exhaustive study of the refuse collection problems of the city. This section of the report deals with the collection and disposal of ashes. The study includes a description of operations, a summary of recommendations to increase efficiency and economy, and a considerable number of interesting tables of statistical material, including unit costs.

*

Larger Units for Educational Administration—a Potential Economy. By Timon Covert. Washington, United States Government Printing Office, 1933. 43 pp. Five cents.

Mr. Covert, of the United States Office of Education, has collected a series of examples of proposed or effected economy based on increasing the size of the unit responsible for education. The material falls into four classes —the state as the unit, the county as the unit, the township as the unit, and the consolidated school district as the unit.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY ROBERT M. PAIGE — *Secretary-Treasurer, G. R. A.*

Chicago Civic Federation and Bureau of Public Efficiency.—The chief activities of the Civic Federation and Bureau of Public Efficiency for the past several months have included: a careful study published in November of the effects of a one per cent tax limit, analyzing, government by government and fund by fund, what the exact result of the various one per cent tax limit proposals would be, and demonstrating that any such proposal, provided it could be practically applied, would have to be accompanied by provisions for large additional revenue from sources other than real estate; a tabular summary of the delayed 1933 Cook County tax rates as announced by the county clerk in February, with advice to the taxpayer as to his tax bill (the Federation and Bureau forecast in October the identical base rate as finally determined); continued coöperation with the Chicago Recovery Administration in its attempt to straighten out the tangled finances of the several Cook County governments; preparation for an intensive campaign for a favorable vote on the consolidation of park districts at the April election; preparing and advising as to revenue legislation at Springfield; following the development of the various governmental budgets for 1934, and preparing a yearly statement on the overlapping bonded debt of Cook County. The Federation and Bureau probably will have charge of the campaign for approval of the $30,000,000 emergency relief bond issue to be voted on in November.

DOUGLAS SUTHERLAND

*

Boston Municipal Research Bureau.—The Bureau has prepared a report dealing with the finances of the city with particular reference to the effect of restoring salary schedules to the pre-depression levels and the effect of the resumption of step-rate salary increases. This report makes it clear that the coming fiscal year will be a difficult one for the city administration. Tax delinquencies are mounting and assessed valuations declining; the 1933 deficit, it is estimated, will be larger than the 1932 deficit by more than $3,000,000 and will total approximately $13,500,000. Looking ahead, the Bureau foresees a few favorable factors in the financial outlook such as an increase in the distribution of state income taxes in Boston, a decreased elevated deficit assessment, and a slight increase in the miscellaneous revenues collected by the various city departments. But the unfavorable factors are more numerous and include increased relief requirements, higher prices for supplies, materials, equipment, and contracts, an increase in the debt service charges, an increase in the state tax and assessments, and a further decline in assessed valuations. The restoration of pre-depression salary schedules would cost the city about $5,000,000 and would increase the tax rate $2.90 per thousand. The resumption of step-rate salary increases would cost about $475,000.

*

Bureau of Governmental Research of New Orleans.—This Bureau has put special emphasis on two problems during the last two months—the annual budget and the city's applications for funds from PWA.

After making an extensive study of the budget, the officers of the Bureau met in conference with city officials to examine jointly and discuss the Bureau's recommendations. A comparative study of four previous years' expenditures was made and it was suggested

that in the future the city publish revenues and expenditures of at least two previous years with the proposed expenditures, so as to give taxpayers a means of comparison.

The present method of accounting makes it almost impossible to ascertain the city's financial condition, so as to make a forecast of revenues and expenditures for the next year. Therefore, the Bureau recommended that the city's books be closed and balances both for resources and commitments be carried forward into the next year's budget. The present practice of keeping the books open year after year should be abolished. The Bureau also suggested eleven other ways of improving in future years the present antiquated system of budget making.

The examination of the 1934 budget inincluded a discussion of such items as salary scale, budget for supplies and expense, new equipment, reorganization of the mayor's office, factory inspectors, improved organization for maintenance of public buildings, omission of the delinquent tax department and gasoline tax department in the budget, extra clerk hire and permanent utility men in the treasury department, less costly type of brake tags, police department organization, and many other items, the revamping of which would save the city money. Where possible the Bureau's recommendations were acted on and promises for a more modern 1935 budget were obtained.

The board of directors met in conference many times to discuss the city's applications for funds from PWA. The Bureau finally approved applications to PWA for a new city hall, fire alarm system, sewerage, water, and drainage projects, and certain bridges and culverts. Simultaneously it disapproved applications for a new isolation hospital, mental disease hospital, one bridge, and an air-conditioning system for the municipal auditorium.

In connection with the work done in investigating these projects, the Bureau demanded from the city a financial statement showing the city's ability to pay before it filed the applications. This was given. The Bureau furnished the city the most inexpensive plan of finance for paying for the proposed city hall.

As an outgrowth of the budget study, the Bureau also has been working on a centralized purchasing system, a reorganization of the police department, simplification of the brake test tag, and elimination of the overlap of activities of the factory inspector's office with other agencies.

HAROLD A. STONE

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Bureau of Research in Municipal Government, Bowdoin College.—The Bureau is making available to the Governor's Committee on Taxation for the state of Maine its collection of materials on taxation. On December 1 and 2 a meeting on taxation was held at Bowdoin College campus. This meeting was arranged under the auspices of the Committee on Policy of the American Political Science Association. Several members of the Governor's Committee were present.

Dr. Orren C. Hormell, professor of government at Bowdoin College and director of the Bureau of Municipal Research, has been employed by the survey committee of the town of West Hartford to conduct during the next six months a survey of the government of West Hartford and to offer recommendations for changes.

*

School of Government, University of Southern California.—The Sixth Annual Institute of Government will be held at the University of Southern California, April 2-7, inclusive, 1934. The purpose of the institute is to train public officials, employes, and civic workers, and to provide facilities for technical study and conference with distinguished administrators and technical experts.

The morning sessions will be used for inspection of governmental departments in the area immediately surrounding Los Angeles under the direction and leadership of the men who are actually managing the departments, as well as the leadership of some of the men who are invited to participate in the session. In the afternoon sections will meet for lectures and round table discussions in specific branches of governmental work. In the evening there will be general assemblies for the discussion of subjects of common interest in government.

The program is prepared by committees composed of over two hundred public officials and employes, and these committees are now meeting to arrange the leaders and subjects. Among the sections which will meet at the 1934 Institute are: budgets and accounts, city clerkship administration, city council administration, city managers, county administration,

educational administration, federal administration, hospital management, housing, judicial administration, legislative problems, metropolitan government, planning, police administration, principles of government, principles of public administration, probation, public personnel administration, public engineering, recreation and parks, taxation, water supply and sanitary engineering, and welfare administration.

DEAN EMERY E. OLSON

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Bureau of Municipal Research and Service, University of Oregon.—This Bureau has recently been established at the University of Oregon after repeated requests from the League of Oregon Cities for a service agency of this kind. The director of the Bureau, Herman Kehrli, serves also as executive secretary of the League, and the activities of the two agencies are therefore closely coördinated.

The first project of the Bureau has been that of assembling charters, ordinances, annual reports, budgets, municipal utility rates, and other available documents and data regarding municipal government in the state.

Five conferences have been held in various parts of the state for the discussion of new federal and state developments of interest to municipal officials. City councils have been invited to present their requests for information and assistance, with the result that some forty inquiries were received during the first three months. The municipal consultant employed for the Oregon League by the American Municipal Association has been available since November 15 to all cities for advice regarding PWA and CWA applications, emergency legislation of the recent special session of the state legislature, and other municipal problems.

The Bureau has recently undertaken a study of city financial problems resulting from tax delinquency. The CWA has made available a staff of six clerks for this study.

*

University of Washington.—Joseph P. Harris of the department of political science, has completed for the State Emergency Relief Administration a comprehensive report on the financial status of the counties of Washington. The law creating the State Emergency Relief Administration provided that counties should match state funds for unemployment relief, but permitted exceptions. Many of the counties claimed that they were unable to match state and federal funds. Mr. Harris's study presents a wealth of data which makes possible comparisons between counties. He and his research assistants have prepared a chart for each county showing among other things its unemployed relief load and unemployed relief costs, its welfare expenditures, assessed valuation, bonded and warrant debt, tax levy, effect of the forty-mill tax limit, tax collections, and trend of assessments. In addition to the compilation of statistical data, Mr. Harris visited twenty-one of the thirty-nine counties and attempted to interpret these figures and to secure all of the additional or supplementary data necessary to an understanding of the local financial conditions.

The report is not yet in printed form but manuscript copies might be made available to research workers in other states who have been asked by the state relief authorities to prepare similar reports.

*

Cincinnati Bureau of Governmental Research.—The Bureau has undertaken a series of studies dealing with regional government. The first study of the series was entitled "A Survey Defining the Boundaries of the Cincinnati Region." The second report has just been completed. It is entitled "Township Government in the State of Ohio with Particular Reference to Hamilton County." The study conducted by the Bureau revealed that the townships in Hamilton County are not functioning satisfactorily and that the complete elimination of these units is desirable. Its important functions—poor relief and highways—can better be performed by the county. Indeed the transfer of these functions has already been made to a large extent in Hamilton County, but the townships remain as skeleton organizations. Several possible ways of eliminating the township are discussed, including the enactment of a general state law eliminating certain or all township officers and functions, completion of the process of transferring functions from township to county by state law or voluntary assumption of these functions by the county, and the adoption of a new county charter under the county home rule amendment approved by the voters of Ohio, November 1933.

New Haven Taxpayers, Inc.—The Association has recently isued a report summarizing its activities during the past six months. Paul B. Wilcox, former director of the Stamford Taxpayers' Association, was appointed full-time executive director of the organization in July 1933. Offices were established in a building owned by Yale University fronting on the Commons. Ten survey committees paralleling as many city departments or functions have been established and a comprehensive program of research formulated and begun. The committee on budgeting is preparing recommendations for improving the budget set-up in order that a more accurate picture of the complete costs of city functions will be given. The committee on schools, which includes a trained school administrator, has secured the coöperation of the school authorities in its analysis of the administrative problems of the school system. A detailed study of the police department is being made by the committee on police and the fire department is being similarly surveyed by another committee which has secured the coöperation of engineers of the National Board of Fire Underwriters.

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Governmental Research Reports Received Since January 1, 1934.—

Financial Aspects of Old Age Pensions and the Poll Tax, by Leo Day Woodworth, Detroit Bureau of Governmental Research, November. Report No. 135. 33 pp.

Water Consumption and Metering in Philadelphia, by Charles A. Howland, Bureau of Municipal Research of Philadelphia, December. 32 pp.

Recent State Gross Sales Tax Legislation, by James W. Martin and William A. Tolman, Bureau of Business Research, University of Kentucky, Lexington, January. 28 pp.

A Study of the Proposed Construction of New Building for Isolation Hospital Facilities, Schenectady Bureau of Municipal Research. 14 pp.

The Auditing of Municipal Accounts in New York State, by William A. Lafferty, Jr., School of Citizenship and Public Affairs, Syracuse University, 1933. Publication No. 28. 83 pp. Price $1.

Revenues and Expenditures of the State of Rhode Island, Fiscal Year 1933, Providence Governmental Research Bureau, January. 4 pp.

Survey of Judicial Townships of Los Angeles County, California, Bureau of Efficiency of the County of Los Angeles, December. 17 pp.

An Immediate Tax Program for the State of Kentucky, by James W. Martin, Bureau of Business Research, University of Kentucky, Lexington, January. 28 pp.

The Township Government in the State of Ohio with Particular Reference to Hamilton County, Cincinnati Bureau of Governmental Research, Cincinnati, December, 1933. Report No. 54. 51 pp.

County Consolidation in Colorado, by Scoville R. Heckart and G. S. Klemmedson, Colorado Agricultural College, Fort Collins, December, 1933. Bulletin No. 406. 57 pp.

Property Tax Limitation Laws, by Robert M. Paige and Glen Leet, Editors, Public Administration Service, 850 East 58th Street, Chicago, February, Publication No. 36. 96 pp. Price 75 cents.

Representative Administrative Organization Charts of Cities, American Municipal Association, Drexel Avenue & 58th Street, Chicago, February, Report No. 76. 23 pp. Price 50 cents.

School Finances in Virginia, by William H. Stauffer, Virginia State Department of Taxation, February. 82 pp.

A Fiscal and Administrative Survey of the City of New Orleans, by National Industrial Conference Board, New Orleans Tax Revision Commission, December. 142 pp., tables.

School Organization in the Detroit Metropolitan Area, by Don S. Miller, Detroit Bureau of Governmental Research, February. 18 pp., tables.

Local Finance and Procedure, by Loren B. Miller, Detroit Bureau of Governmental Research, September, 1933. 97 pp.

Boston City Finances and the Effect of Restoring Salary Schedules, Boston Municipal Research Bureau, February. 20 pp.

Population Trends, by George T. Ragsdale and Lent D. Upson, Detroit Bureau of Governmental Research, December, 1933.

Financial Survey of the State of Tennessee for 1933, Tennessee Taxpayers Association. 210 pp. Price $5.

County Reorganization in Ohio, by Harvey Walker, Ohio State University, January. 9 pp.

Survey of Eloise Hospital, Wayne County Research Bureau, Detroit, June, 1933. 61 pp.

Unified Government and Tax Reform for Los Angeles County, Los Angeles Bureau of Municipal Research, February. Report No. 113. 132 pp., tables, charts. Price $3.50.

Taxation and Government

Two dangerous tendencies in taxation noted.

EDITED BY WADE S. SMITH

Sales Taxes and Tax Limitation.—Fifteen states have already adopted some form of sales tax, twelve of them doing so in the last year, and more are considering such measures daily. The growth of tax limitation has not been so rapid (though four of the states adopting sales taxes in 1933 also adopted tax limitation laws), yet there is just as clearly a trend toward the tax limit. Only ten states were without general tax limitation provisions by the end of the year, with many states, Ohio in particular, having tightened existing limits.

The detailed effects of both of these types of enactments have been fully developed during the past year. The inequality, and even inadequacy, of the sales tax is fully understood; so too are the dangers resulting from the inflexibility of tax limitation laws. Yet the close connection between the two measures is not noted as frequently as might be expected. Both are, basically, intended to provide relief to real estate and general property. This is obviously so in respect to tax limitation. That it is so in respect to sales taxes is shown by the fact that the strongest supporters of such tax laws have been municipal officials and taxpayers' associations bent on supplementing local revenues with income from non-property sources.

If reform of the tax system is to be confined to the promotion of these two measures, the outlook for a sane financial system for local government is dark indeed. Granting that tax limitation is imposed because of a distrust of the willingness of officials to keep local expenditures within desired limits, tax limitation fails in its purpose because of at least two important factors. In the first place, tax limitations which will actually limit expenditures will also cripple government to just the extent that limitation is secured; this is necessarily so when existing debt charges are included within the limit. In the second place, tax limitation is easily evaded, and leads to a confusion of taxing jurisdictions and the piling up of real costs under a myriad-headed authority. Financing of current items out of borrowed funds becomes common, special assessment and other taxing districts are utilized to evade the local limits, assessed valuations may be manipulated so as to allow a greater margin for expenditures within the legal limit. Such considerations as these make the adoption of adequate tax limitation both theoretically and practicably impossible.

The truth of the matter is, of course, that the ends sought by both sales taxes and tax limitations can be better gained by wholly different procedures. Sales taxes may be necessary as emergency measures; but the whole matter of supplementing the levies against real estate is properly a matter of more basic readjustment of the tax system. A special committee of the American Legislators' Association is already at work upon the problem of coördinating federal, state, and local revenues, and there are hopeful signs that the matter will soon be receiving widespread attention. Certainly the pressure from local taxpayers' groups will eventually provide a powerful impetus to such revision, once the need for action is fully understood. Similarly, the limitation and control of expenditures must be secured in other manner than by the limitation of tax rates or levies. The whole problem of governmental and financial control is involved.

Sales taxes and tax limits are at best patchwork approaches to the intricate fiscal problems confronting local government. The ends so sought can be secured by more adequate

means, with far less danger of crippling governmental services and further unbalancing the taxation systems.

*

Collecting Taxes in Memphis.—The 1933 budget for Memphis, Tenn., was drawn on a basis of 75 per cent collection of the year's tax levy. In June it became apparent that collections would not equal that figure, and in August, when the payments for the second quarter were due, city officials inaugurated an intensive campaign to secure the necessary funds. Newspaper stories, radio, handbills, posters, public speakers, and other means were used to present the city's financial condition. In the words of Mr. Ralph Picard, administrative assistant to Mayor Overton: "On September 1 we began to cash in. We were able to repay the million dollars of short term notes issued in anticipation of our tax collections. We had sufficient funds on hand to operate for a few more months . . . But we had not collected the 75 per cent anticipated, so our tax campaign was renewed."

A novel variation of the familiar house-to-house canvass was used, ward workers of the administration's political party supplementing other volunteers (mostly teachers and other civic employes) in presenting the tax bills to delinquents. At the same time, the mayor and city commissioners announced that penalties and interest would be waived for "every citizen who will come to the city treasurer's office and make arrangements to pay even a part of the 1933 taxes." Installments ranging from five to ten months were permitted. By January first the city had collected 74.11 per cent of the 1933 levy, and had received nearly half the delinquent 1932 taxes, plus arrears from other years also. To help taxpayers take advantage of a 1½ per cent discount if taxes are paid in full before June 10, a local bank instituted a tax club, full results of which cannot be known until June 1935. The entire campaign was administration directed, and officials feel that they have effectively met the 1933 emergency and are ready to resume activities should it become necessary in 1934.

*

Explaining the Tax Bill.—One of the results of the present reluctance of taxpayers to pay taxes promptly has been the effort on the part of city officials to demonstrate just where and how the money is spent. "Budget dollar" pamphlets have been widely used to report to citizens in statistical tables, charts, and brief explanations just what the tax dollar buys in terms of services supplied by the municipal corporation. Among the best of these is one issued by the Department of Public Works, St. Paul, Minn., prepared by Accountant Joseph Pavlicek, which analyzes costs and shows further tax reductions difficult because of high tax delinquency and increased county and state levies. A similar pamphlet issued by the city council of Beverly Hills, Calif., presents departmental and service costs on an "average" four-person family basis, while a leaflet issued by the Junior Chamber of Commerce of Columbus, Ohio, in connection with the Franklin County tax collection campaign, presents services and budget deficiencies caused by tax delinquency in terms of services *provided at the taxpayers' own insistence.*

*

Municipal Debt Increased in 1932.—Gross debt, less sinking fund assets, for county and local units amounted to $13,503,422,000 in 1932, according to a preliminary summary released by the Bureau of the Census. Total state and local debt for the 194,630 units having debt-incurring power amounted to $19,684,577,000, or $158.10 per capita as compared with $45.11 per capita in 1912. Of the total gross debt 14.7 per cent was state, 12.3 per cent county, 51.3 per cent city, town, village, and borough, 11 per cent school district, 1.8 per cent township, and 8.9 per cent other civil divisions.

The net debt of the counties increased 514.7 per cent from 1912 to 1932; that of the cities, towns, villages, and boroughs 208.2 per cent and that of the school districts, townships, and all other civil divisions 1,636.5 per cent. During the two decades the net federal debt increased 659.1 per cent. In comparison with the other governments the increase of municipal indebtedness was almost moderate.

*

General Property Levy Collections Improving.—Early reports indicate a slight improvement in the collection of tax levies against general property during 1933, though rarely are they very large. In some places increases have been secured at the cost of extraordinary activity on the part of city officials; in others they appear to be the result of the general economic pick-up. Baltimore, with from 2 to 4 per cent greater collections, in terms of budget requirements,

than in 1932; Atlanta, Ga., with $1,594,652 as compared with $1,241,459 in 1932; St. Louis, Mo., with 30 per cent more than at the corresponding period ending December 21, 1932—are typical of the collection increases reported. From other cities come reports of downward trends sharply checked or eliminated.

Yet, encouraging as are these improvements in collections, they cannot be accepted as grounds for believing that the municipal crisis is over. The high delinquencies prior to 1933 must still be collected or absorbed in forthcoming budgets if hundreds of cities and towns which have already spent the money are to get on a sound financial basis.

*

Campaign Manual for Pay Your Taxes Committees.—Suggestions for organizing and conducting a Pay Your Taxes Campaign have been gathered into a twelve-page mimeographed manual for the use of local tax delinquency groups and officials, issued as part of the information service of the National Pay Your Taxes Campaign by the National Municipal League. The model campaign embodies the methods used successfully by scores of cities which have secured substantial amounts of delinquent taxes, as well as suggestions for preventing future wholesale delinquencies. Copies may be secured gratis from the League.

*

The city council of St. Petersburg, Fla., is reported to have accepted settlement of 1931 delinquent taxes at fifty cents on the dollar, up until April 1. Thereafter five per cent is added monthly. The plan involves the cancellation of $750,000 past due interest coupons of the city, the use of which to pay delinquent taxes was the subject of pending litigation. Receipt of city paper in payment of tax debts is expensive business.

*

Kansas City. Mo., faces a deficit of about $200,000 for its current year, according to a bulletin of the Civic Research Institute. The cash deficit is expected to raise the total to anywhere between $200,000 and $500,000. Salary cuts will be used again to "balance" the budget.

*

A tax-receivership bill similar to the Skarda Act of Illinois and the Stout Act of New Jersey has been introduced into the senate of the New York State legislature by Senator Seabury C. Mastick. The bill would permit so-called "rent receiverships" for the next three years.

*

State and municipal borrowing totaled $159,596,324 during January, according to figures compiled by *The Daily Bond Buyer*, New York. This is the second highest figure for January in the past ten years, the highest, $174,675,400, occurring in 1927. Of this January's total, $121,222,564 was lent by the PWA and RFC.

*

Agricultural land and improvements in Wisconsin carried only 15 per cent of the 1933 tax levy of $94,300,000, according to a study made by the Wisconsin Taxpayers Association. Residential property carried 45 per cent of the total levy. Seventy per cent of the levy was paid in the cities, 7 per cent in the villages, and 23 per cent in the towns.

*

A statement of the bonded debt of the city of Warren, Ohio, issued by the Chamber of Commerce, shows that three bond issues floated to finance a park project in 1911-12 will cost a grand total of $163,000 before the taxpayers get through paying off the interest and principal on an original loan of $65,000. One of the issues runs for sixty-six years. A paving bond issue, running for twenty-one years, will cost $92,977 in interest against a principal of $76,900. Comment unnecessary.

*

Cuyahoga County, Ohio, in which the city of Cleveland is located, is not only faced with accrued delinquencies of some $73,000,000, but is now being embarrassed by the offer of its prompt-paying taxpayers to prepay the *next* levy—with scrip issued by the city and received by the taxpayers in the course of business! A Pay Your Taxes Campaign is being organized to help realize on the unpaid taxes.

*

Lewiston, Me., unable to borrow in anticipation of tax receipts in 1933, offered a sliding discount for the prepayment of taxes, ranging from 5 per cent if payment was made in May to 2 per cent if made in August. The results were so satisfactory that no borrowing was necessary, and a cash balance is expected when the fiscal year ends in February.

The 1933 report of the city auditor of Cincinnati shows that receipts from real estate and personal property tax exceeded budget estimates of $5,369,040 by $164,572.

*

The attorney general of Indiana is reported to have started a campaign to collect delinquent taxes under laws ignored for many years. A tax on brokers, adopted in 1852, and a tax on theatres are being revived, according to press reports.

*

The governor of North Dakota issued a proclamation recently directing sheriffs and county auditors to refrain from issuing foreclosures or tax deeds affecting farm and city homes and farm lands. Moratorial laws in Texas have been scheduled for test before the state supreme court there also.

*

Methods of Procedure Against Defaulting German Municipalities.—The approaching session of Congress will be presented with proposals for organizing means of refunding or scaling down local debts. In this respect it is interesting to observe procedures which have been provided for use in the case of German municipalities, where the debt problem has assumed serious proportions. National German law has left this field of regulation to the states, some of which still have no provisions covering the problem. The year 1932, however, saw an expansion of such regulation. In some states, as Prussia, Saxony, and Württemberg, action of the creditor against a defaulting municipality may be taken in the ordinary courts, the court or an administrative body deciding what properties are not subject to attachment as being essential to the performance of public obligations. In other states, including Lübeck and Bavaria, the ordinary courts are not competent, but creditors may press their claims before higher administrative tribunals. Most of the state statutes do not clearly distinguish between properties which can be attached and those which cannot.

In Mecklenburg-Schwerin and Württemberg a limited form of bankruptcy procedure against defaulting municipalities is possible. In the former state such procedure is subject to the consent of the minister of the interior, who determines whether the municipality is unable to pay and designates property not subject to action.

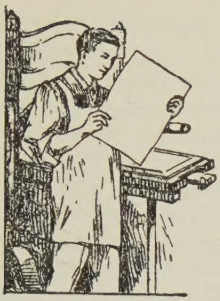
A different type of procedure is provided in the *Zwangsetatisierung,* or budget control by a superior administrative body. In this case the creditors are not usually empowered to bring on the action. In Saxony and Prussia, however, creditors may propose to the administrative authorities that they take such action. Under the *Zwangsetatisierung* the superior officials may compel municipal authorities to lower or eliminate certain expenditures or to raise taxes, fees, and rate charges of municipal utilities in order to meet local obligations, including debt service.

The possibility of centralized supervision of local affairs does not end here, however. In Saxony, in case other procedures remain unavailing, the state may place a commissioner in charge of the municipality. The commissioner controls the property and financial affairs of the municipality with a view to arranging debt payment in the best possible way. A similar procedure is available in Prussia, where a commissioner may also be sent in by supervisory authorities. The procedure is permissible, however, only in so far as it does not endanger an ordered administration of the needs of citizens. Necessary expenditures for social purposes, unemployment relief, payments to civil servants, and retirement benefits, as well as payments due from the municipality to other political units, must be made before the debt claims are satisfied.

In general, the problem of the defaulting German municipality has been met by increasingly centralized control of local financial administration. The various procedures named above are designed to protect the interests of creditors, but the needs of the population, in theory at least, are considered paramount to the satisfaction of debt charges. Some of the above legislation was designed to be temporary, but the general direction of contemporary German politics leads one to expect anything rather than a relaxation of centralized control. With the eventual elimination of the German states, similar regulations can be expected for the entire *Reich,* with administration centering in Berlin.

—Lee S. Green

Research Fellow,
Brookings Institution,
Washington, D. C.



NOTES AND EVENTS

H. M. OLMSTED

Massachusetts Cities and Their Boards.— Municipalities of Massachusetts, feeling the pressure of governmental costs, are considering more complete integration of government under the mayor — a policy deliberately planned to take power from the numerous unpaid boards and independent committees.

Although Boston and Worcester show more promising signs of development this year, the revolt against boards and committees was hottest in Cambridge last year. Eight years ago Cambridge was given an apportioned tax rate for support of schools, to be administered by an independent, elected school committee—with no mayoral veto on the budget. This committee has turned into a political spring-board in recent years. Last year four of the six members ran for other political offices and three had held them. Despite Cambridge's colleges, fewer of the school committee members have college degrees than the average school committee of the state. Minor irregularities and a great deal of nepotism have been known to exist in school administration for several years; and when Mayor Richard E. Russell began his administration in 1930, he found his economy program held up by the school committee.

School teachers have rallied around the committee and have drawn a part of the Harvard Graduate School of Education with them. They point to the indisputable fact that independent school systems by and large furnish services of a higher calibre according to the mechanical tests of school expenditure and services available, but they cannot explain away the poor and selfish administration in Cambridge.

Mayor Russell had the city government surveyed by Professor Thomas Hinckley last year and, with the help of Professor J. M. Landis, proposed an integration of the forty odd boards and departments of the city into five major departments. The proposed reorganization included a veto power of the mayor over the school budget in addition to lopping off a number of unpaid boards and creating a much needed central purchasing office and a budget director. He hoped to cut the city tax rate from $37.00 to $25.00 by aid of this integration. Citizens attested their approval by a handsome majority last fall but at the same time elected an opposition council. The legislature denied the veto of the school budget while the council rejected, then accepted, the new finance ordinance but failed to appropriate for the new officers. Throughout the bitter debates the principle of administrative efficiency stood in sharp contrast to the principle of citizen control of government through boards and committees.

In Boston the center of contention has been the Boston Department of Public Welfare, whose work in the first years of depression was described by W. H. Pear of the Provident Association in the REVIEW for November 1931. Social workers call the twelve unpaid overseers who supervise the department a "buffer" against political interference, while taxpayers' representatives call them "window dressing" and demand a few sharp business administrators. The social workers, attorneys, and miscellaneous citizens on the board represent neither aristocracy nor great business brains, but they are not politicians and they do represent an important group of unselfish citizens. Perhaps the compromise of reduction of the board to seven members and centralization of administration under a com-

missioner, as suggested by the Chamber of Commerce, would maintain the two functions desired. Board costs had increased even before 1929 more rapidly than the total government costs. In the more or less normal period, 1922-1929, the increase of total city, council, and school expenditures was 44 per cent while, to take a few sample board budgets, the library increased 57 per cent, school building 50 per cent, public welfare 90 per cent, parks 298 per cent. These increases are sometimes used to help explain the fact that Boston last year had the highest tax rate of Group I cities in C. A. Rightor's list. So charter changes providing for a compulsory reduction in the number of departments which would automatically eliminate some of the dozen odd boards have been proposed to the legislature. In particular organizations like the Finance Commission, it has been specifically suggested that the unpaid members be eliminated.

However, most unpaid board activities are of the social educational type which were gaining a greater percentage of city budgets everywhere in the 1920's. The tremendous cost in overhead, reserve forces and materials, and other items coming from the break-up of the Boston metropolitan area into separate cities and towns has much to do with the high tax rate.

Why has the socially conscious and intelligent Massachusetts business aristocracy failed to work its system of lay administration? One important reason is that as a result of a most unfortunate racial and religious division, the government of these cities is no longer its government. Another reason is that many of them have withdrawn to tax colonies in Brookline or other towns, leaving their civic responsibilities behind them. In the towns with a homogeneous population a great deal of unpaid citizen labor is well performed. The urban "Brahmin," however, sublimates his instincts of social sympathy in private charity or in the government of the commonwealth, while a sadly divided metropolitan area struggles on with inefficient government under extraordinary tax rates.

G. C. S. Benson

Cambridge, Mass.

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Wilmington Looks for Governmental Improvement.—Recent indications point to renewed interest in making the government of Wilmington, Del., a more serviceable and economical agency. The annual report of the Chamber of Commerce set forth several recommendations concerning municipal government. The report of the public accountants who recently completed a city audit likewise contained suggestions for improving the city government. The mayor, who issued an excellent annual report in November which included several recommendations for governmental improvement has since issued a call for a conference of citizens to consider the municipal organization. All three reports called for reorganization of the tax-collection system and for custody and disbursement of all city funds by the city treasurer. The mayor and the accountants advised centralized purchasing; the accountants and the commerce chamber suggested improvements in the budget system. Various other recommendations came from some one of the three sources.

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Professor White on Federal Civil Service Board.—Leonard D. White, associate professor of political science at the University of Chicago, and well known for his studies and books on various phases of municipal government, has been selected, through recommendation of Secretary of the Interior Ickes, as member of the United States Civil Service Commission, succeeding Thomas E. Campbell, resigned.

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A Comprehensive Report on Constructive Economy.—The committee on state and local taxation and expenditures of the Chamber of Commerce of the United States has issued its report to the board of directors, under date of January 1934; it is comprised in eight pages of a printed leaflet. The committee of seven members is headed by Junius P. Fishburn, president of the *Times-World* Corporation, Roanoke, Virginia, and includes Charles R. Carroll, General Motors Corporation; C. A. Dykstra, City Manager of Cincinnati; Russell Forbes of New York; William Fortune of Indianapolis; Henry Hart of Detroit and Jacob M. Lashly of St. Louis.

Savings of about a billion dollars in state and local expenditures in the past year are indicated. While certain dogmatic statements about the relation of taxes to national income are made, emphasis is laid on constructive

economy as opposed to mere budget slashing.

Proposals stressed are

Consolidation of local governments
Economies through coöperation by different governmental units
Reorganization of local government administration
Qualified officials
Administrative economics—centralized purchasing, accounting, control, etc.
Improved budgetary procedure
Balanced budgets
Curtailment of governmental activities and costs, where indicated by a critical examination
Budgetary reductions by executives to be made legally possible
Modify mandatory expenditures
Debt policies—long time capital planning, avoidance of debt for recurrent expenditures, serial bonds, debt limits, etc.
Coördinate tax and spending years
Tax collection made efficient
General use highways transferred to the state
Examination of costs—with regard both to the current fiscal situation and a balanced program over a period of years.

Problems recommended for special study are: simplification of government; local indebtedness, including methods of bond issuance and debt control; and reduction and elimination of federal, state, and local multiple taxation.

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Budget Dictator Proposed in New Jersey.—The New Jersey State Chamber of Commerce has drafted a bill for state control over local finances through a single commissioner to be named by the presidents of Princeton University, Rutgers University, and Stevens Institute of Technology, for a term of fifteen years but removable by the appointing committee.

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Charter Reform Movements in Erie County.—Erie County, New York, containing the city of Buffalo, is experiencing much discussion of county government reform, with home rule proposals coming in conflict with state-wide county reform legislation. The Erie County Survey Commission, headed by former Justice Daniel J. Kenefick, advocates a separate charter for the county, with a county executive and a county controller to be elected.

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State Planning in Illinois.— The Illinois State Planning Commission, created by statute last year, is undertaking a program looking toward intelligent planning of land use and public works, the wise development and conservation of physical resources, and general economic and social betterment. Ten specific surveys are to be made: general and statistical data, zoning and local planning including redistribution of industry, state institutions, stream control, stream sanitation, outdoor recreation, mineral resources, agricultural problems and rural land-use planning, transportation and public works. The Federal Civil Works Administration has made an allocation of funds to this work. Robert Kingery is chairman of the commission, state planning engineer H. L. Kellogg is in charge of the program, and Jacob L. Crane, planning consultant of the National Planning Board, is advisor.

On January 10 a Conference on New Planning Opportunities in Illinois was held at the University of Illinois under the direction of Dean Rexford Newcomb; it was attended by 150 officials and planning on the part of city, state, and national government was discussed.

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Delinquent Townships Facing Dissolution.—In St. Louis County, Minnesota, which, although it contains the city of Duluth, includes a large area of undeveloped territory, thirty-two townships may be dissolved under state law by the Board of County Commissioners because of high tax delinquency, according to the *United States News.*

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Housing and Real Estate Surveys.—Inventories covering the construction, facilities, rents, and character of occupancy of all buildings are reported by the International City Managers' Association as having been undertaken with federal funds in sixty-three cities, and in fifteen of the cities similar surveys are being made as CWA projects. In New York some two thousand CWA workers are involved in this work under the direction of Wilfred S. Lewis, secretary of the tenement house department, with advisory aid from the United States Bureau of Foreign and Domestic Commerce. The information will be of special benefit in connection with planning that city's slum elimination projects.

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Federal Efforts to Guard Against Municipal Bankruptcy.—Professor Simeon D. Leland of the University of Chicago and advisor to the Illinois Tax Commission has been asked by Secretary of the Treasury Morgenthau to make a general investigation of the

municipal financial situation in the effort to devise a plan under which the federal government may assist cities on the verge of bankruptcy. Jesse H. Jones, chairman of the Reconstruction Finance Corporation, has conferred with Secretary Morgenthau and both have indicated that assistance should be extended to several hundred cities in serious financial straits. However, the RFC could not be expected to lend money to cities that have not balanced their budgets, Mr. Jones declared.

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To Aid in Solving Financial Problems of Education.—The New York State Economic Council has created an educational advisory committee, headed by Professor Frank E. Spaulding of the Yale University Graduate School, with the purpose of bringing about better mutual understanding between educators and taxpayers and assisting public administrators in efforts for economy and efficiency. The council, according to its president, Merwin K. Hart, has been impressed with the critical character of problems involved in the current maintenance of public education. He stated, "No condition could be worse for public education and the public welfare than hostility between those in charge of the public schools and those who pay the bills for their support." Within reasonable limitations the services of the committee will be free, and will not be imposed upon any one. Cooperative studies with local officials and representatives of education are proposed. Committee headquarters are Room 608, Chrysler Building, New York.

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The Situation in New York City.—New York City is still in a precarious financial condition. The comptroller sees payless paydays ahead and is unable to find a market for new short term city securities. The city faces the necessity of defaulting on debts and contracts. Mayor LaGuardia and the board of estimate hope to balance the budget, re-establish the city's credit and eliminate the deficit of approximately thirty million dollars before it is too late to obtain from the PWA the funds necessary to complete the Eighth Avenue subway system—the federal government has made a balanced budget a condition of advancing moneys already allocated for this purpose.

But the state legislature has thus far refused to pass the so-called "Economy Bill" which seems to be the only hopeful means of balancing the budget. This would give the board of estimate and apportionment power, by ten votes out of sixteen, to abolish positions, reorganize departments, make salary cuts within a limited field, and grant payless furloughs of not more than one month. Mayor LaGuardia has already announced his intention to abolish over one hundred positions in the county offices and cut salaries all along the line. He has also indicated his intention to graduate salary cuts and the length of enforced furloughs in order to protect employees receiving the lowest pay.

The mayor is making a fresh effort to bring about unification of existing rapid transit facilities in New York City. He has asked the new city chamberlain, Professor Adolph A. Berle to represent him in pending negotiations with the transit companies. Recently the board of estimate appointed Judge Samuel Seabury to act as special counsel for the city.

Throughout the city many changes have been made. The five separate park departments have been consolidated under one city park commissioner. A municipal housing authority has been established. Unspeakable conditions have been uncovered and are being corrected in city prisons. The board of estimate has changed its method of procedure so that it now starts promptly, its business proceeds in a rapid, orderly manner, and special days have been set aside for public hearings on all matters requiring statutory hearings as well as those concerning which hearings have been requested.

The all-important subject of charter revision is being held in abeyance for the time being, pending the fate of the "Economy Bill" and the solution of the city's financial problems. A bill containing the charter recommended by Judge Seabury and several bills naming charter commissions have been introduced at Albany but their sponsors are marking time. Meanwhile Mayor LaGuardia has announced his belief that proportional representation as applied to elections in New York City and changes in the structure of the city government should not be submitted to the voters in one document but should be presented as separate questions. The only thing certain at this date is the crying need for a new, modern charter for the city of New York.

MARGARET TANZER

Citizens Union of New York